Lambeth Strategic Housing Market Assessment

October 2017

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Executive Summary

This document is the Strategic Housing Market Assessment (SHMA) for Lambeth, required by the National Planning Policy Framework and London Plan 2015 Policies 3.3 and 3.8. It provides evidence for the partial review of the Lambeth Local Plan 2015.

The objective assessment of housing need (OAN) is calculated at a regional level through the London Strategic Housing Market Assessment, expected to be published by the GLA by the end of 2017.

The Lambeth SHMA considers the annual need for affordable housing, adding together the current backlog and predicting newly arising need. The annualised requirement for affordable housing to 2036 is 1,047 net additional dwellings if households spend 40% of their gross income on housing costs or 1,573 net additional dwellings based on households spending 30%.

Based on the analysis of need and supply, an indicative size mix required for affordable housing is:

	1 bed	2 bed	3 bed	4 bed
@ 30%	35%	42%	19%	4%
@ 40%	23%	47%	24%	6%

However, these figures are in absolute terms and do not take account of Lambeth's local priorities or any other factors, such as relative need.

Affordability analysis shows that at 30% of gross income, shared ownership housing would meet 5% of affordable housing need, if it continues to be delivered at current prices. At 40% of gross income, shared ownership is unlikely to provide housing options to those whose needs cannot be met in the private rented sector.

A new type of intermediate housing, London Living Rent, could meet 25% of affordable housing need at 30% of gross income or 34% of affordable housing need at 40% of gross income.

Based on the analysis of projected household growth, the size mix required for market housing is as detailed below (without any adjustment made for under occupation):

	1 bed	2 bed	3 bed	4 bed+
@ 30%	30%	45%	17%	8%
@ 40%	35%	43%	16%	6%

Over recent years while house prices and rents have risen, incomes have remained stagnant, increasing the requirement for affordable housing.

As required by national planning policy, the SHMA report considers the need for certain types of housing and the needs of different groups.

Private rented sector

The private rented sector (PRS) makes up a third of Lambeth's households. Geographically, PRS housing is more concentrated in the western and southern wards, and the proportion of PRS households varies, from 44.7 per cent in St Leonard's ward in the south of the borough, to 20.4 per cent in Prince's ward in the north.

Multi-person households make up the largest proportion of households in the PRS in Lambeth, followed by one person households, and couples without dependent children. A smaller proportion of households contain dependent children. Sixty-two per cent of households in the PRS consist of either one or two person households. Almost 60 per cent of those living in PRS housing in 2011 were aged under 35.

Like house prices in Lambeth, private rents are high, although generally comparable with or slightly below those for Inner London. Average household income is approximately 1.8 times higher than average annualised rent in Lambeth; in other words, average rents equate to 56 per cent of average household income. This illustrates how unaffordable the PRS is for a significant proportion of the resident population.

The PRS plays an important role in providing housing, particularly for young and single people, who cannot afford to buy. It also serves an important housing function to people who are unlikely to be able to access social housing but can afford PRS accommodation with Local Housing Allowance support. It is the only tenure to have experienced relative growth in recent years and, based on past trends, is likely to expand even further.

Houses in multiple occupation (HMOs) are an important source of housing within the PRS in Lambeth, particularly for single person households. There are currently an estimated 1,200 mandatory licensable HMOs in Lambeth and an estimated 1,900 HMOs in total, mostly concentrated in the southern wards of the borough.

Older people

Population projections suggest that the number of people and households aged over 65 in Lambeth will increase significantly over the next 20 years. Over this period the highest projected growth is in the 70-74 age bracket. Lambeth has a significantly higher proportion of older people (aged 65+) in social rented accommodation than both London and England and a lower proportion of owner-occupiers.

In June 2017 specialist provision for older people in Lambeth consisted of 809 places in residential care and 2,613 units of self-contained accommodation. There is currently little specialist accommodation for sale or lease in the borough; the majority of older owner occupiers and those in the PRS will therefore be in general needs housing.

In June 2015 the council commissioned the Elderly Accommodation Council (EAC) Consultancy to carry out research to estimate the impact of projected growth in the older population on specialist housing requirements. A revised borough-wide forecast produced by the council, which takes account of extra care schemes in the pipeline as well as decommissioning plans for sheltered accommodation, indicates a surplus of 202 units of extra care and 230 units of sheltered accommodation by 2018. By 2025 the extra care surplus is estimated to reduce to 133 and a shortfall of 63 units is predicted for sheltered housing.

Accessible and supported housing

At a borough level, data on the number of households with a wheelchair user is limited, however the English Housing Survey (2011/12) identifies that 6 per cent of older person households in London include a wheelchair user. There are nearly 500 applicants on Lambeth's housing waiting list that have been assessed as having some level of mobility need, 39 of which have been assessed as requiring a wheelchair accessible property.

In 2016 there were just over 1,100 people receiving accommodation-based support in Lambeth. The total number of placements in long-term residential and nursing homes has reduced year on year from 1,279 in 2010/11 to 1,002 in 2014/15, in particular for older people and learning disability residential care and nursing care. The exception is older people with dementia requiring nursing care where demand has increased and is likely to continue to increase further given rising numbers of people with dementia.

Families

At the Census 2011 there were 34,847 households with at least one dependent child in Lambeth, 27 per cent of all households. Lambeth has a higher proportion of family households living in social rented housing (51 per cent) than in London (31 per cent) and a correspondingly lower proportion in owner-occupied housing – 29 per cent (45 per cent in London). A fifth of households with children in Lambeth live in the PRS.

Demographic projections suggest that, by 2036, 24 percent of households in Lambeth will have one or more dependent child. The projections indicate that there will be a 19.2 per cent increase in the number of households with one child, which a much smaller projected increase in the number of families with 2 or 3+ children over this period.

Students

The SHMA identifies that there were 24,246 full time students (aged 16+) in Lambeth at the time of the 2011 Census. Of these, the majority (46 per cent) lived at home with their parents, 14 per cent lived in student-only households, and 6 per cent lived alone. Only 2 per cent lived in communal establishments, such as halls of residence or purpose-built student accommodation. As would be expected, a higher proportion of students aged 16-19 live at home with their parents, with a correspondingly higher proportion of older students (20+) living in student only households, alone, or within the 'other household type' category.

Existing purpose-built student bedspaces have increased by 218 per cent over the past six years – from 855 bedspaces in 2011, to 2,718 in 2017. The SHMA highlights affordability issues, particularly for private / direct-let purpose-built student accommodation which tends to be let at significantly higher rent levels than accommodation let by universities or housing in the PRS.

Armed forces and ex-services personnel

There were 170 households in Lambeth containing a member of the armed forces at the 2011 Census, and a further 20 armed forces personnel living in a communal establishment. In 2017 there are 39 households on Lambeth's housing waiting list who have priority by virtue of being ex-service personnel.

Gypsies and Travellers

The council has separately published a summary of the evidence relating to Gypsy and Traveller accommodation need (Assessment of Gypsy and Traveller accommodation need in Lambeth: Bringing together the evidence (October 2017), London Borough of Lambeth). This evidence finds that the only source of need for Traveller accommodation in Lambeth arises from concealed households (households living within another household who are unable to set up their own family unit) and new household formation, on the only established Traveller site in Lambeth (Lonesome Way).

Lambeth's target for Gypsy and Traveller pitch provision over the plan period is three. The assessment found no need arising for pitches or plots for Travelling Showpeople in Lambeth.

Self-build and custom house building

Lambeth's local self-build register indicates a high level of demand for plots of land for self-build. However, as there is currently no limit to the number of registers an applicant can apply to, and no requirement for applicants to verify their ability to purchase and develop a plot if one is provided, there is a considerable risk that the register will significantly overstate actual demand. Data shows that in 2015/16 there were 18 completed developments in Lambeth involving the erection of a new single residential unit (new build houses or bungalows). This figure is higher than previous years, with an average of 6 developments completed each year during the period 2011-2015.

1. Introduction

Purpose of report

1.1. This Strategic Housing Market Assessment (SHMA) is prepared in accordance with National Planning Policy Framework (NPPF) and London Plan Policies 3.3 and 3.8. The SHMA forms part of the evidence base that will help inform the housing policies and proposals in the Lambeth Local Plan 2015 Review. It is an assessment of future need for affordable housing, the type and mix of homes required and the needs of specific groups.

1.2. The NPPF and PPG require the identification of Objectively Assessed Housing need. This figure is the number of additional dwellings per annum required to meet in full the need for new housing over the plan period. An OAN figure will be calculated for London, as the relevant hosing market area, through the London SHMA. This is being undertaken by the GLA to inform the full review of the London Plan. The London SHMA is expected to be published at the end of 2017 alongside a new London strategic land availability assessment. The SHMA and SHLAA will inform new housing delivery targets for London and the boroughs to be published in the new London Plan.

1.3. The Lambeth SHMA provides evidence to inform the policy approach to housing issues in the reviewed Local Plan, including:

- The policy requirement for affordable housing in new developments (also to be informed by evidence of development viability)
- the local tenure mix requirement for social/affordable rent to intermediate housing
- the affordability of different intermediate products
- the dwelling-size mix for affordable housing developments
- the overall mix of dwelling sizes in market housing schemes
- the approach to residential conversions (see also Lambeth Residential Conversion Study 2016)
- policies on certain types of housing, including private rented sector housing, housing for older people, students and other households with specific needs, and people who want to build their own homes.

Context

National planning policy and guidance

1.4. The National Planning Policy Framework (NPPF) sets the parameters within which local planning authorities must assess housing need for their areas and plan for the delivery of new housing, alongside other development needs.

1.5. Under core planning principles in paragraph 17 it states that "every effort should be made objectively to identify and then meet the housing…needs of an area".

Paragraph 47 adds that “to boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing markets area, as far as is consistent with the policies set out in this Framework…”.

1.6. Paragraph 50 goes on: “To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand…”.

1.7. Specifically in relation to plan-making, the NPPF states in paragraph 159: “Local planning authorities should have a clear understanding of housing needs in their area. They should:

- prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
    - meets household and population projections, taking account of migration and demographic change;
    - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people disabilities, service families and people wishing to build their own homes); and
    - caters for housing demand and the scale of supply necessary to meet this demand…”.

1.8. A footnote to this paragraph adds that the Planning Policy for Traveller Sites sets out how travellers’ accommodation needs should also be assessed.

1.9. NPPF paragraphs 179 and 182 address the duty to cooperate and tests of soundness. National Planning Practice Guidance (PPG) (section 2a) elaborates on the requirements in the NPPF and provides more detailed guidance on the approach, scope and methodology for assessing housing need (alongside similar guidance for economic development needs assessments). This was last updated in March 2015.

1.10. The methodology for this SHMA follows closely the technical advice in the PPG.

The London Plan

1.11. The London Plan is part of the statutory development plan for every London borough and sets the regional strategic context for planning for housing in the capital. The current London Plan was published (adopted) in 2016 and incorporates alterations since 2011. The London Plan 2016 includes figures on housing need and capacity for London; and minimum borough-level housing targets based on this evidence.

1.12. The evidence on housing need and capacity that underpins the figures in the current London Plan 2016 is set out in the GLA's London SHMA 2013 and SHLAA 2013. The London SHMA 2013 includes an objective assessment of housing need for the London Housing Market Area: it identifies need for London at 48,840 dwellings per annum (dpa). However, the capacity identified through the GLA SHLAA 2013 is only 42,390 dpa.

1.13. The London Plan 2016 sets supply-based housing targets for the boroughs but, as a result of the gap of approximately 7,000 dpa between identified need and capacity, it also requires boroughs to augment the targets where possible with extra housing capacity to help close this gap. London Plan 2016 Policies 3.3 and 3.8 state that local and sub-regional SHMAs will provide further detail on the level of housing need on a more local basis and should inform local housing provision targets and monitoring.

1.14. Guidance on undertaking borough-level housing need assessments within the context of the GLA's London-wide SHMA is provided in the London Plan Housing Supplementary Planning Guidance 2016 (Housing SPG 2016). This is consistent with the wording of the NPPF and the technical advice in the PPG.

1.15. Along with the PPG, this methodology for this Lambeth SHMA follows closely the guidance in the Mayor's Housing SPG 2016.

1.16. The Mayor is undertaking a full review of the London Plan. Underpinning this will be a new London SHMA, which will include an objective assessment of housing need for London. Informal consultation on the London Plan review was carried out in October – December 2016. Consultation on a draft new London Plan is expected by the end of 2017. The new London SHMA had not been published at the time of writing this report.

Previous assessments of housing need in Lambeth

1.17. In 2009 Lambeth, as part of the South West London Housing Partnership, commissioned ECOTEC Research and Consulting to carry out a sub-regional Strategic Housing Market Assessment. The assessment covered the seven individual local authority areas that together make up the South West sub-region of London – Merton, Croydon, Richmond, Sutton, Kingston, Wandsworth and Lambeth. It explored current and future housing need, demand, supply and affordability and identified key drivers of the housing market within the sub-region.

1.18. In 2012 Lambeth commissioned consultants Opinion Research Services to undertake an assessment of housing need in the borough. The Lambeth Housing Needs Assessment was published in 2012 and updated earlier studies undertaken by Fordhams in 2002 and 2007. It provided the evidence base on housing need to underpin both planning and housing policies being developed at that time.

Methodology and overview of report content

1.19. The methodology used in this report has been guided by the technical advice in national planning practice guidance (PPG) alongside the Mayor's Housing SPG 2016, particularly Section 3 Housing Choice. It is also aims to be consistent with the methodology used in the GLA SHMA 2013. It is not possible to replicate the GLA approach exactly for Lambeth, as some data sources - such as the English Housing Survey - are not available at borough level. Where this is the case, this is made clear and alternative local data sources or proxy data sources are used. In addition, this study uses more recent GLA household projections data than the GLA SHMA 2013, and up to date earnings and house price data.

2. Area profile

Brief description of the borough

2.1. Lambeth is an inner London borough with a northern boundary on the Thames and situated mainly between the boroughs of Wandsworth and Southwark. It covers an area of approximately ten and half square miles, including Waterloo and the South Bank, Vauxhall, the Oval, Kennington, Stockwell, Clapham, Brixton, Loughborough Junction, Herne Hill, Streatham, Tulse Hill, West Norwood, Gipsy Hill and Upper Norwood. The north of the borough has a mix of central London activities, while the south of the borough is predominantly sub-urban in character.

2.2. Like many London boroughs, Lambeth has areas of affluence and areas of poverty, although it is not amongst the poorest boroughs in London. None of Lambeth's twenty-one wards is in the 10% poorest in London and Clapham Common ward is in the 10% most affluent[1]. A ward map is provided at Figure 1.

2.3. The latest deprivation data is the 2015 Index of Multiple Deprivation (IMD). IMD 2015 places Lambeth as the 8th most deprived borough in London and 22nd most deprived in England. Coldharbour ward in Brixton is the most deprived ward by some way, with half of its Lower Super Output Areas in the 10% most deprived. 10/13 of the most deprived areas are concentrated in the centre of the borough, mostly Brixton, with 3/13 in Norwood. Coldharbour, Gipsy Hill, Vassall and Tulse Hill are the most deprived wards in relation to Income Deprivation (i.e. the proportion of the population in an area experiencing deprivation relating to low income). Coldharbour, Tulse Hill, Larkhall wards are the most deprived wards in relation to Barriers to Housing and Services (which measures the physical and financial accessibility of housing and local services).

2.4. Over the last 100 years, Lambeth has changed from a group of Victorian commuter suburbs to become one of the most cosmopolitan districts in the country. It has a complex social and ethnic mix, with large African and Portuguese populations, and is an important focus for the UK black Caribbean population. It is a destination for many migrants, especially the young, from around Britain and abroad - in particular Poland and other EU countries as well as Australia, New Zealand and South Africa.

[1] Lambeth State of the Borough Report, 2016

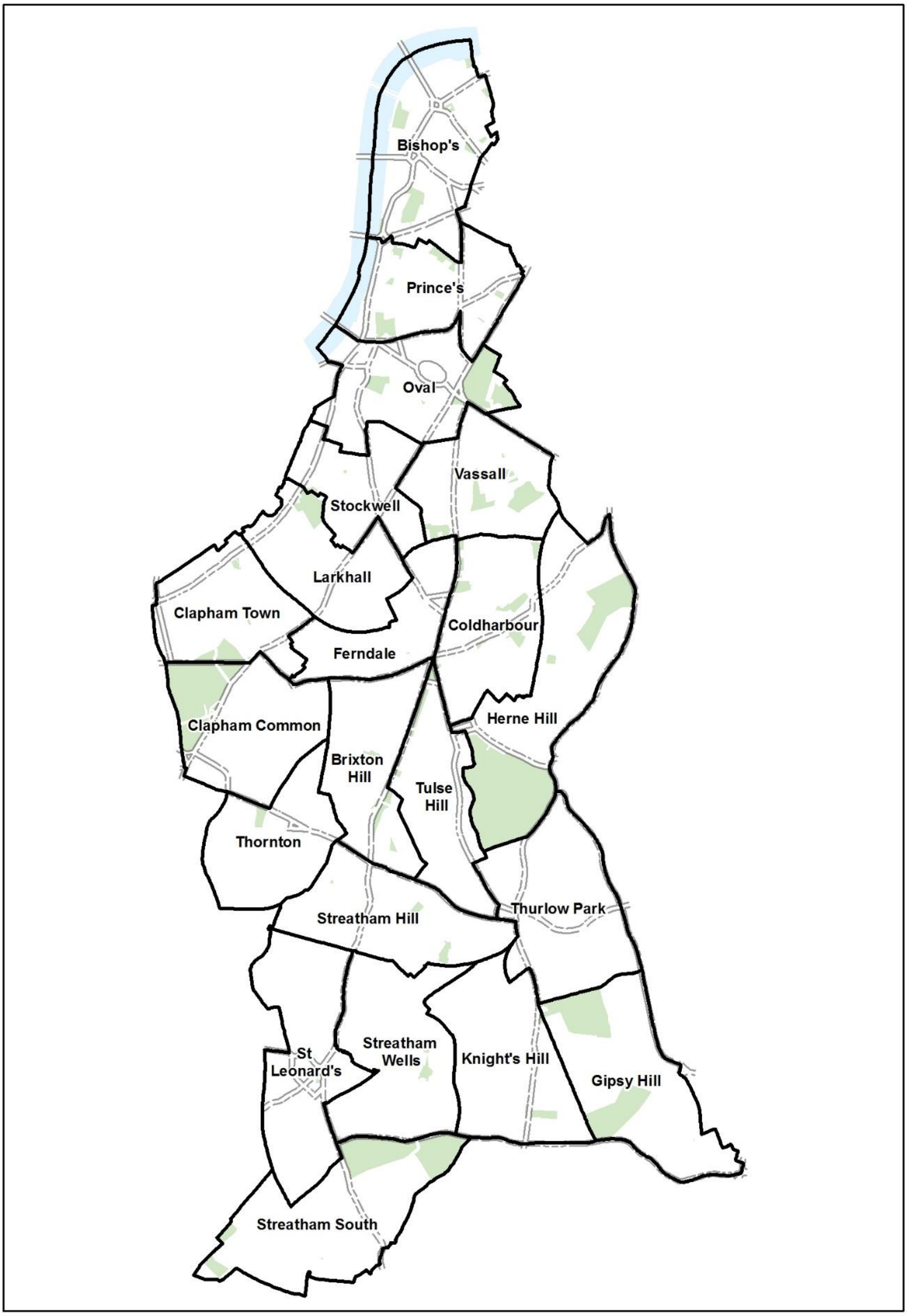

Figure 1 - Lambeth Ward Map, London Borough of Lambeth, 2017

Population profile

2.5. In common with the rest of inner London, Lambeth's population has grown rapidly in recent years, expanding from a quarter of a million in the 1990s to 303,100 in 2011 (2011 Census data, ONS). By 2016 the population was estimated to have increased to 328,237 (GLA population projections 2016). The GLA estimates that Lambeth's population will increase to 349,752 by 2026 and to 359,182 by 2031 and 369,482 by 2036 (GLA 2016 round population and household projections trend-based, long-term variant).

2.6. Lambeth has a relatively young age profile. The young working age population is roughly even between males and females. For all ages over 50, there are slightly more women than men. This reflects national trends.

2.7. In 2016 (GLA population estimates 2016) White people make up 58.1% per cent of the population. Around 40.5% of Lambeth residents are White British or Irish, in line with inner London (43%). The remainder (around 56,600 people) are from other White backgrounds: Europe outside the UK & Ireland, central and South America, North America and the Caribbean, and Australasia.

2.8. Black people make up a quarter of the population (24.6%). Lambeth's largest non-white ethnic group is black African (11.1%), followed by black Caribbean (8.6%). Lambeth has the second largest proportion of black Caribbean people in London after Lewisham (11%). Lambeth has a small Asian population compared to many places in London. Only 7.2%of Lambeth residents are from Asian backgrounds (including Chinese), much less than the inner London average (14.5%).

2.9. GLA data predicts that the ethnicity of the borough will change between 2015 and 2035 as follows:-

	2011	2015	2025	2035
Total population	303,086 100%	321,118 100%	345,545 100%	365,526 100%
White British	118,250 39.0%	121,356 37.8%	124,322 36.0%	129,780 35.5%
White Irish	7,456 2.5%	8,758 2.7%	10,317 3.0%	11,165 3.1%
White Other	47,319 15.6%	56,601 17.6%	69,769 20.2%	76,803 21.0%
Mixed Race	23,160 7.6%	25,974 8.1%	30,273 8.8%	32,840 9.0%
Asian & Arabian	22,666 7.5%	23,157 7.2%	24,018 7.0%	24,982 6.8%
Black African	35,187 11.6%	35,686 11.1%	36,557 10.6%	37,958 10.4%
Black Caribbean	28,886	27,478	24,874	24,036

	2011	2015	2025	2035
	9.5%	8.6%	7.2%	6.6%
Black Other	14,469 4.8%	15,879 4.9%	18,218 5.3%	20,054 5.5%
Other	5,693 1.9%	6,229 1.9%	7,196 2.1%	7,907 2.2%

Table 1 - GLA Population Data 2016

2.10. The main groups that are predicted to experience growth as a percentage of the borough's population between 2015 and 2035 are Mixed Race and White Other households, while the groups that are predicted to experience decline as a percentage of the borough's population between 2015 and 2035 are the White British, Asian and Arabian, Black Caribbean and Black African groups. Other ethnic groups show moderate growth in terms of numbers.

2.11. Around 150 different languages are spoken within families in the borough. Around 17,000 people (6% of the population) speak a main language other than English, mostly EU and African languages.

Population change and migration

2.12. The GLA estimates that the components of Lambeth population growth between mid-2015 and mid 2016 were as follows, showing the dominant role played by natural growth and international in-migration in the borough's population growth:-

- Mid-year population 2015 324,431 persons
- Natural growth (birth minus deaths) +2,959 persons
- Internal UK migration (net) -2,416 persons
- International migration (net) +2,948 persons
- Other -12 persons
- Mid-year population 2016 327,910 persons

2.13. Lambeth is a largely residential borough with many long-term residents: around 80 per cent of Lambeth's population has been resident for over two years and 50 per cent over five years.

2.14. However, total population change – that is, the proportion of people moving in and out of the borough – is high, similar to many places in inner London, at around 22-24 per cent for the last few years. This means that approximately 12 per cent of the population leave each year and are replaced by around 12 per cent new arrivals (data from GLA mid-year estimate 2016). In other words, around 88 per cent of the population each year remains the same.

2.15. Most migration is internal with 80 per cent of in-migration and 87 per cent of out-migration from/to other parts of UK. Generally, people move to Lambeth from more expensive parts of London or cities with large universities; and leave to go to more affordable neighbouring boroughs.

2.16. As well as short-term international visitors, there are also many young, qualified migrants who work for a short time before returning home (who are often in the UK on two-year working holiday visas). London's evolution to a multicultural city in the mid-20th century was based in Britain's imperial past and most migrants came from the new Commonwealth.

2.17. Since the 1980s, however, the drivers of international migration have been EU expansion and integration, people displaced by conflict, and perceived economic opportunities available in the UK. Most recent international migration is from the EU, especially countries severely affected by the Euro zone crisis, such as Spain, Italy, and Portugal. As a result, Lambeth has significant Portuguese, Polish and Somali populations and the Black Caribbean community is reducing as a proportion of the population. The Census 2011 showed that 9.5% of Lambeth's population were members of the Black Caribbean community, compared to 12.1% in 2001. By contrast, in 2011 15.5% of Lambeth's population originated from mainland Europe, compared to 9.6% in 2001.

World Area	Year to March 2014	Year to March 2015	Year to March 2016
European Union (excluding Accession States)	6,196	7,004	6,068
EU Accession States	1,763	2,492	1,228
Other European	143	281	255
Africa	594	616	451
Asia and Middle East	507	623	602
The Americas	793	891	659
Australasia and Oceania	717	838	916
Other and Unknown	5	21	14
Total	10,726	12,796	11,293

Table 2 - International In-migration – National Insurance Number registrations to adults overseas entering the UK by world region, registrations for Lambeth in the year to March 2014-2016.

- There has been a reasonably consistent pattern of international migration to Lambeth of over 10,000 people per annum over the most recent three years for which data is available, with 65-74% taking place from the European Union.
- The exception is migration from EU Accession States in the year to March 2015 which increased due to the end of restrictions which placed limits on the kind of employment Bulgarians and Romanian citizens could undertake in the UK.
- The main housing option available to international migrants is the private rented sector.

- It is not clear what the impact of Brexit will be on migration in the future.

Housing stock

2.18. There has been a marked change in the relative numbers of local authority and registered provider dwellings over the past 20 years, largely as a result of the right to buy local authority homes introduced in 1980 and amended, with larger discounts for purchasers, in 2012; and Government policy on stock transfer. The stock of local authority dwellings in Lambeth has almost halved from 44,531 in 1994 to 23,790 in 2016; while RP stock has more than doubled from 11,504 in 1997 (DCLG dwelling stock live tables 115 and 116) to 24,010 in 2016.

2.19. Census data from 2011 shows that the composition of Lambeth's housing stock is typical of inner London, with a large proportion of flats (73 per cent in total, of which about two-thirds purpose built and one-third conversions) and a correspondingly small proportion of houses (27 per cent).

Population density and housing density

2.20. Largely residential, Lambeth is one of the most densely populated places in the country, with over 100 people living in each hectare, more than twice the London population density. The graphs below also show the relative density of each Lambeth ward.

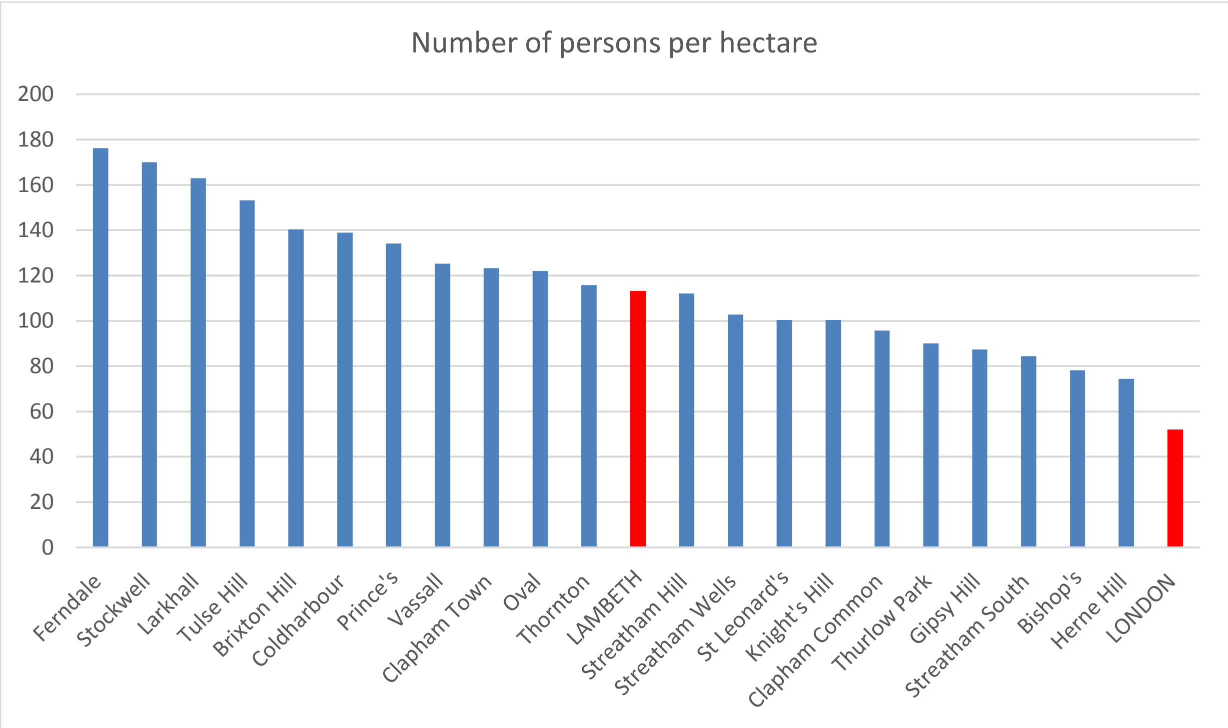

Figure 2 - Number of persons per hectare, Census 2011

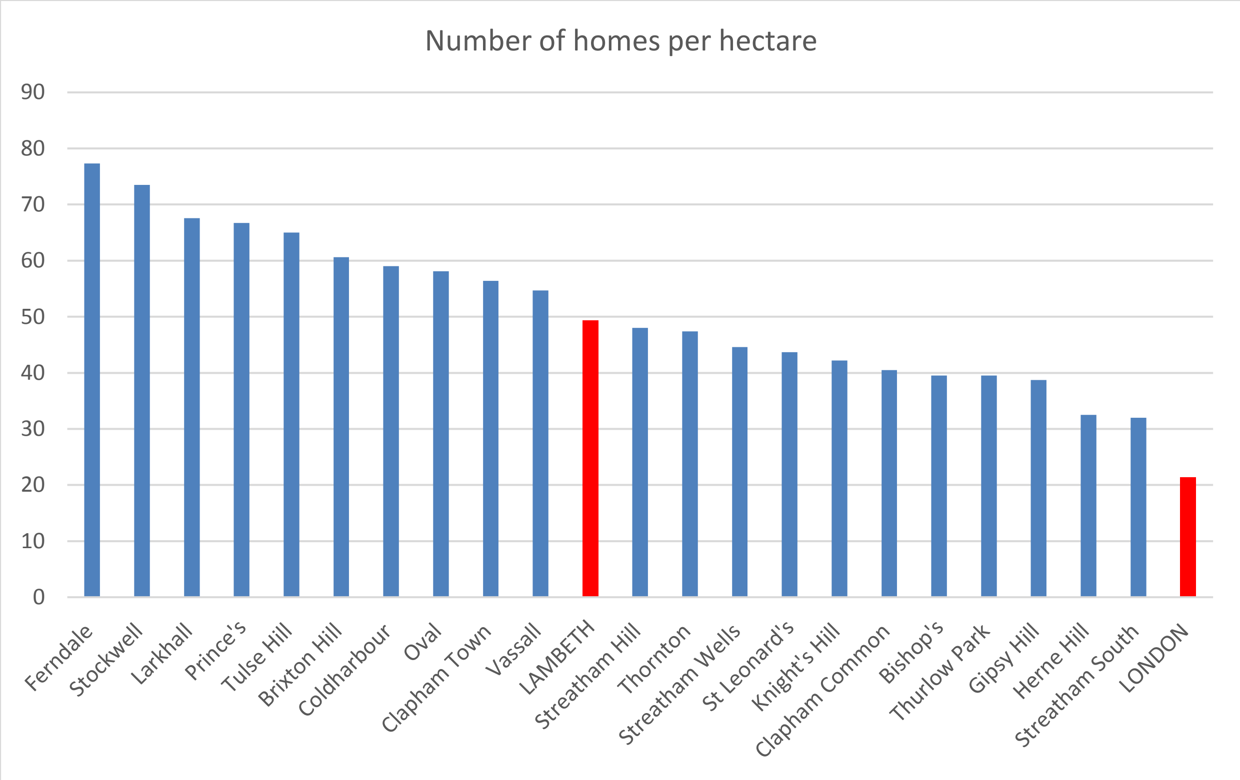

Figure 3 - Number of homes per hectare, Census 2011

Households

2.21. There are various sources of population data, figures vary dependent on the source used. The table below show how stock numbers have been changing since 2001, with an estimate for the current tenure breakdown as of April 2017 based on council tax and Department for Communities and Local Government data.

Tenure	2001	%	2011	%	2017	%
Owner occupied (incl. shared ownership)	44,028	37.2%	44,872	34.5%	46,000	32.5%
Council owned *(Rented)*	33,765	28.5%	25,496	19.6%	24,000	17%
Registered social landlord or other public sector *(Rented)*	15,218	12.8%	20,123	15.5%	24,000	17%
Private rented sector	21,824	18.4%	38,133	29.3%	46,500	33%
Living Rent Free/Other	3,612	3.0%	1,393	1.1%	1,000	0.7%
Total	118,447		130,017		141,500	

Table 3 - Tenure breakdown, Lambeth, Council Tax and CLG data

2.22. Tenure patterns in Lambeth tend to be quite geographically distinct, with social rented housing much more concentrated in the northern and central wards and owner-occupation (both types) and the private rented sector much more concentrated in the western (around Clapham) and southern wards. One lower super output area in St Leonards contains nearly 70 per cent privately rented housing. However, the level of privately rented accommodation has risen in recent years in the northern wards. Oval is an example of this, with its private rented sector rising from 23 per cent of households in 2001 to 35 per cent in 2011.

2.23. The following graph shows how tenure varied by ward in Lambeth at the 2011 Census.

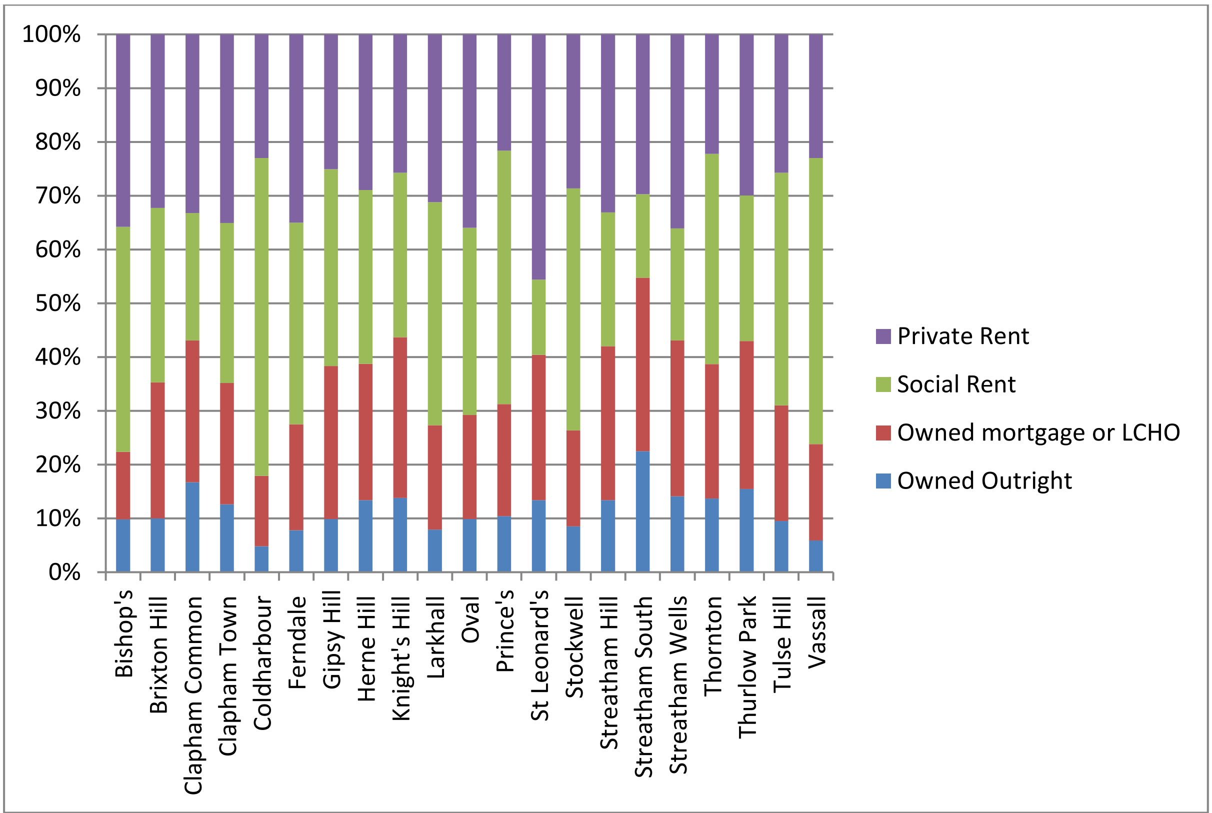

Figure 4 - Tenure by ward, Census 2011

2.26 There is also noticeable variation between tenures in the distribution of age of head of household, illustrated in the graph below.

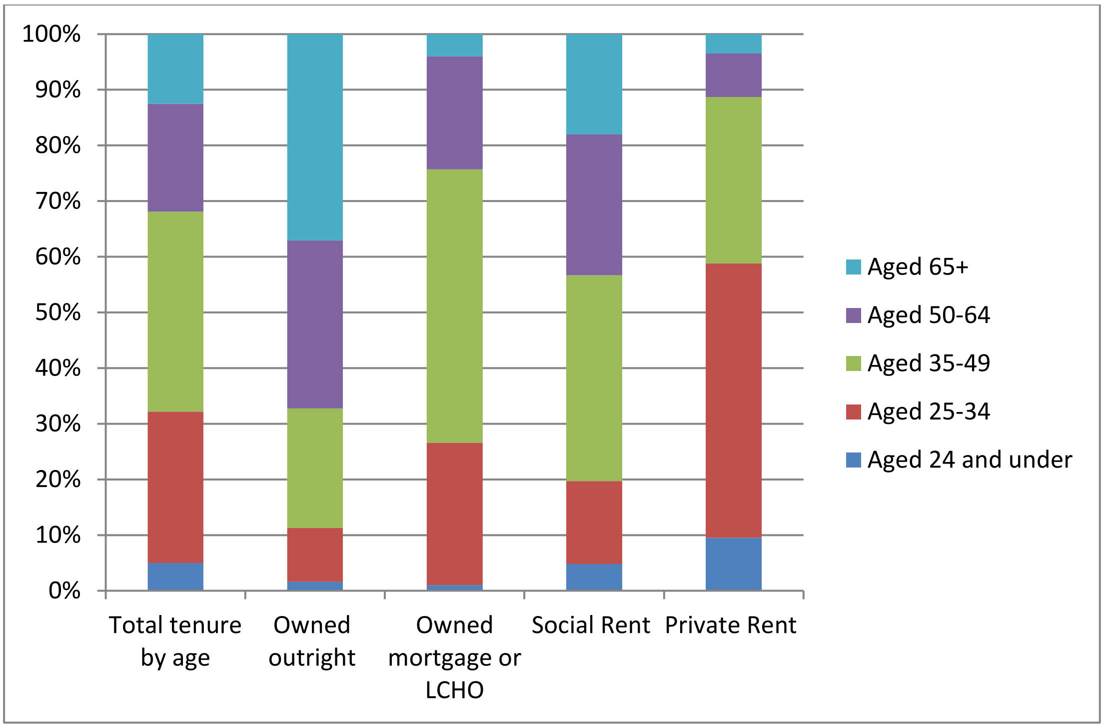

Figure 5 - Tenure by age of household head, Census 2011

2.24. The following features are significant:

- The youthful profile of heads of households renting in the private rented sector, with almost 60 per cent aged under 35.
- The comparatively low number of heads of households in the under 34 year old age group who are buying a home with a mortgage, compared with the 35-49 year old age group.
- The relative maturity of heads of households in the social rented sector, with much higher numbers in the 35-64 year old group in comparison with the under 35 year old age group. This provides an important contrast with the private rented sector, and also with owner-occupation with the mortgage in which there are higher numbers of younger age groups. It may indicate the lower turnover and lesser availability of housing stock in the social rented sector, and suggest that young households are having to revert increasingly to the private rented sector in order to find accommodation.
- The dominance of the over 50s age group in the owned outright tenure.

2.25. The following three graphs show the variation in the type of household living in the three main housing tenures at the Census 2011. Higher proportions of one person households and lone parent households lived in social rented accommodation. Couples without children were more likely to own or rent privately. Couples with children had comparable proportions across all three tenures, although the lowest proportion was in the private rented sector.

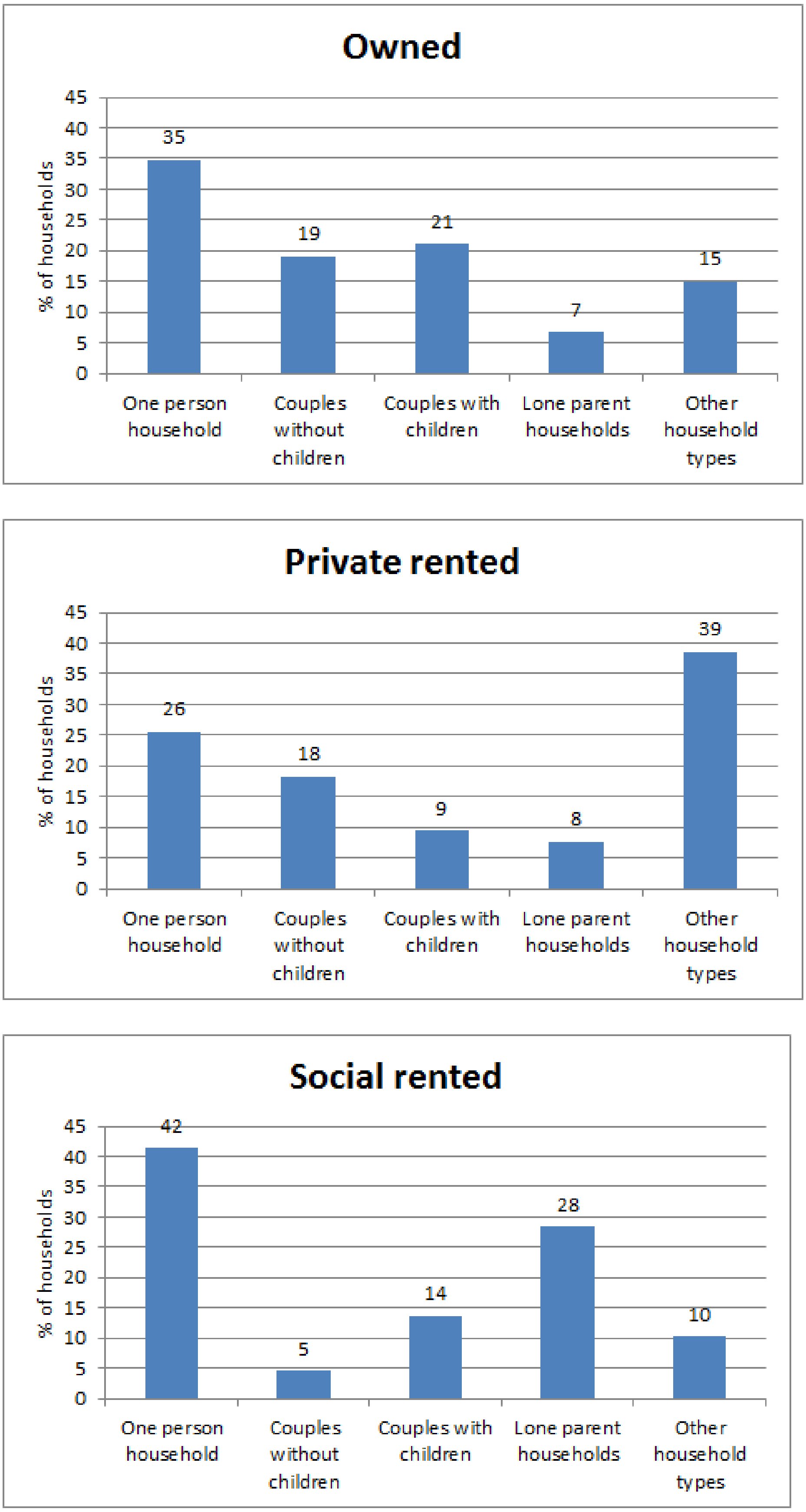

Figure 6 - Household types in different tenures, Census 2011

Household type

2.26. At the Census 2011, a third of households in Lambeth contained only one person. Approximately one fifth of households were couple families with dependent children. Lone parent households with dependent children made up over one in ten households.

Household type	**Number of households**	**Percentage**
One person household	44,691	34
Couple family with dependent children	28,063	22
Couple family no dependent children	18,013	14
Lone parent household with dependent children	15,932	12
Lone parent household no dependent children	6,354	5
Multi-person household - all full-time students	830	1
Multi-person household - other[2]	16,134	12
Total - all households	**130,017**	**100**

Table 4 - Household types in Lambeth, Census 2011

2.27. The following graph shows how Lambeth compared with Greater London and England in terms of the size of its households at the 2011 Census. Lambeth had a proportionately higher number of smaller households consisting of one and two people.

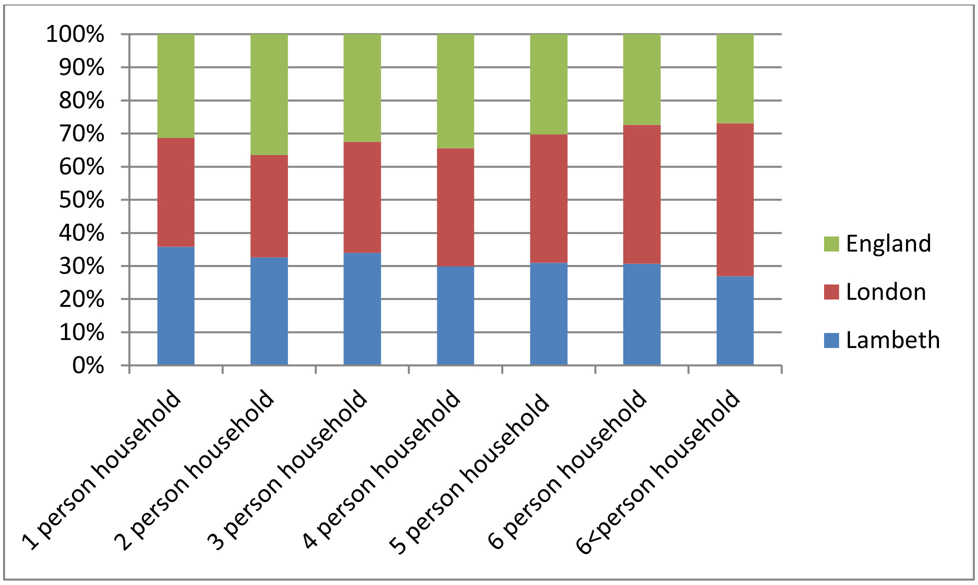

Figure 7 - Comparison of household size by Lambeth, Greater London and England, Census 2011

[2] • Households containing non-dependent children only. Dependent children are deemed to be either children aged 0-15 or young people aged 16-18 who are in full-time education.
• All adults (excluding dependent children) extended family households containing aunts, uncles, grandparents etc.

Occupancy and over-crowding

2.28. Overall, under-occupation rates in Lambeth are much higher than overcrowding rates. The borough is characterised by a comparatively high number of one and two person households. In April 2017 a total of 1,406 households on the housing register were classified as under-occupiers and had registered a wish to move to smaller accommodation. The following data from the Census 2011 shows how overcrowding (defined as lacking either one bedroom or two or more bedrooms) and under-occupation (defined as an excess of either one bedroom or two or more bedrooms) feature within each ward:-

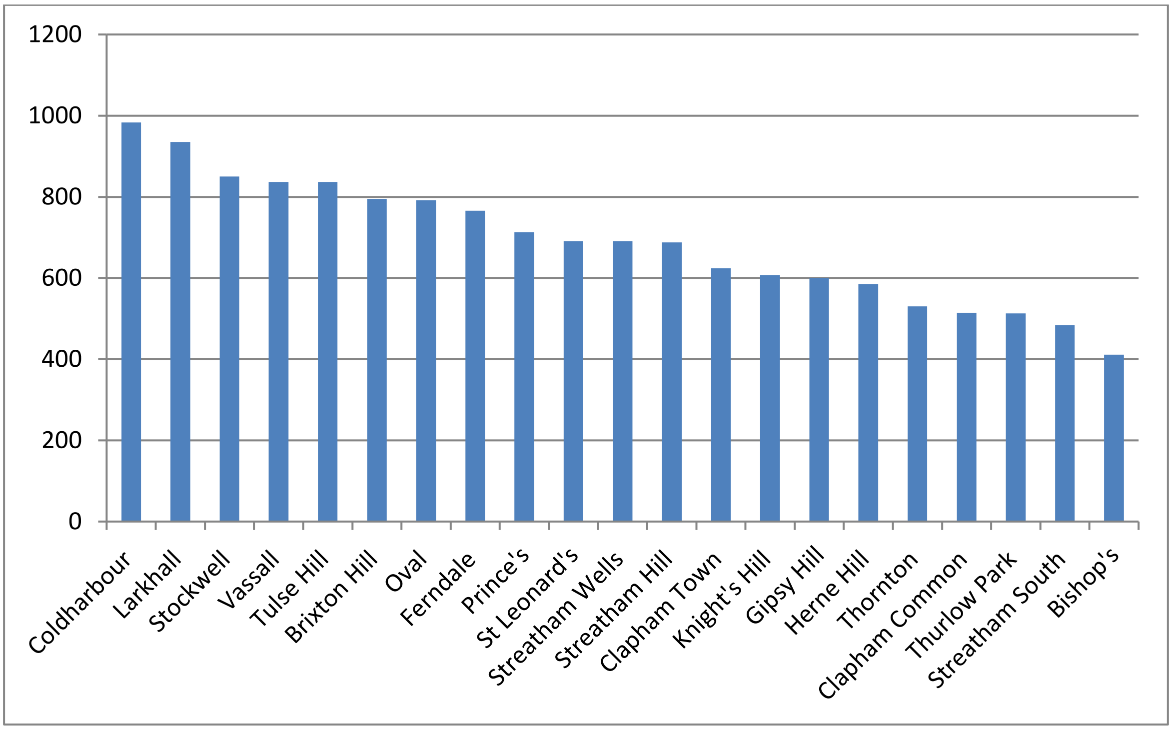

Figure 8 - Homes lacking 1 bedroom by number of homes in each ward, Census 2011

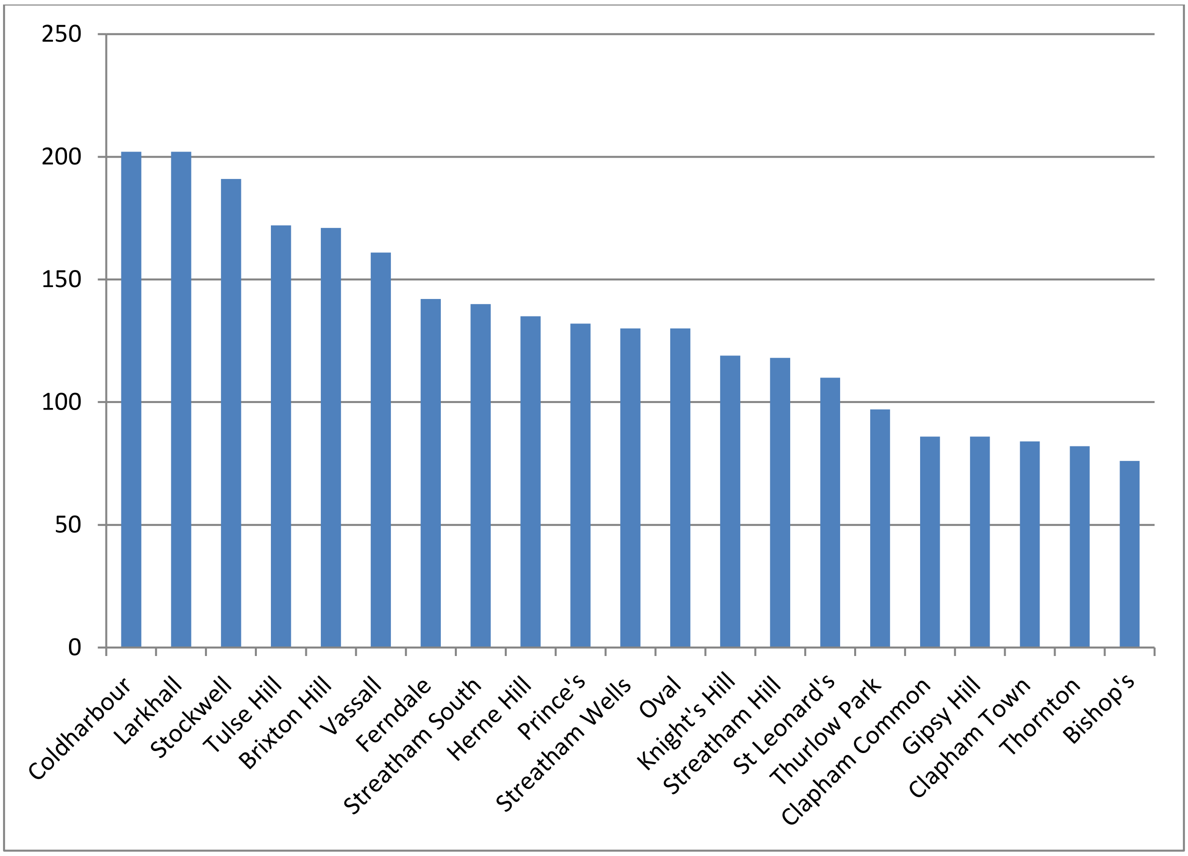

Figure 9 - Households lacking 2+ bedrooms by number of homes in each ward, Census 2011

2.29. Overcrowding is generally more concentrated in the private rented sector. This is partly due to the smaller housing stock within this tenure, as shown below.

Figure 10 - Tenure by number of bedrooms, Census 2011

2.30. Thirty-three per cent of housing stock in the private rented sector consists of 1 bedroom accommodation, compared to 12 per cent of homes owned outright, 19 per cent among homes owned with a mortgage, and 29 per cent of homes in the social rented sector. When 1 and 2 bedroom accommodation are considered together, the proportions are 71 percent in the private rented sector, 40 percent for homes owned outright, 56 percent for homes owned with a mortgage, and 67 per cent for homes in the social rented sector.

2.31. In June 2017 a total of 3,036 households living mainly in privately rented homes housing in Lambeth were on the housing register and were receiving priority because of overcrowding.

Housing need by number of bedrooms	Non-transfers: overcrowded households
2 bed	1768
3 bed	782
4+ bed	50
Total	**2700**

Table 5 - Overcrowded households, Lambeth Housing Register, June 2017

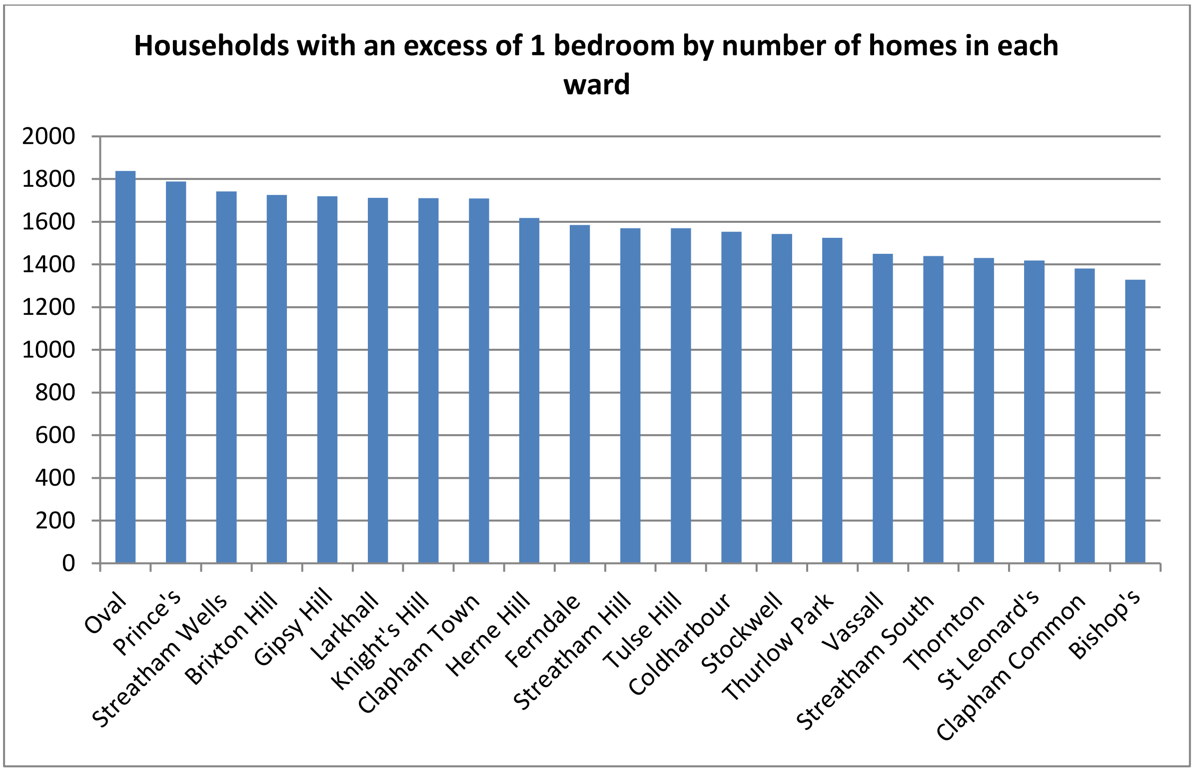

Figure 11 - Under occupation by 1 bedroom by ward, Census 2011

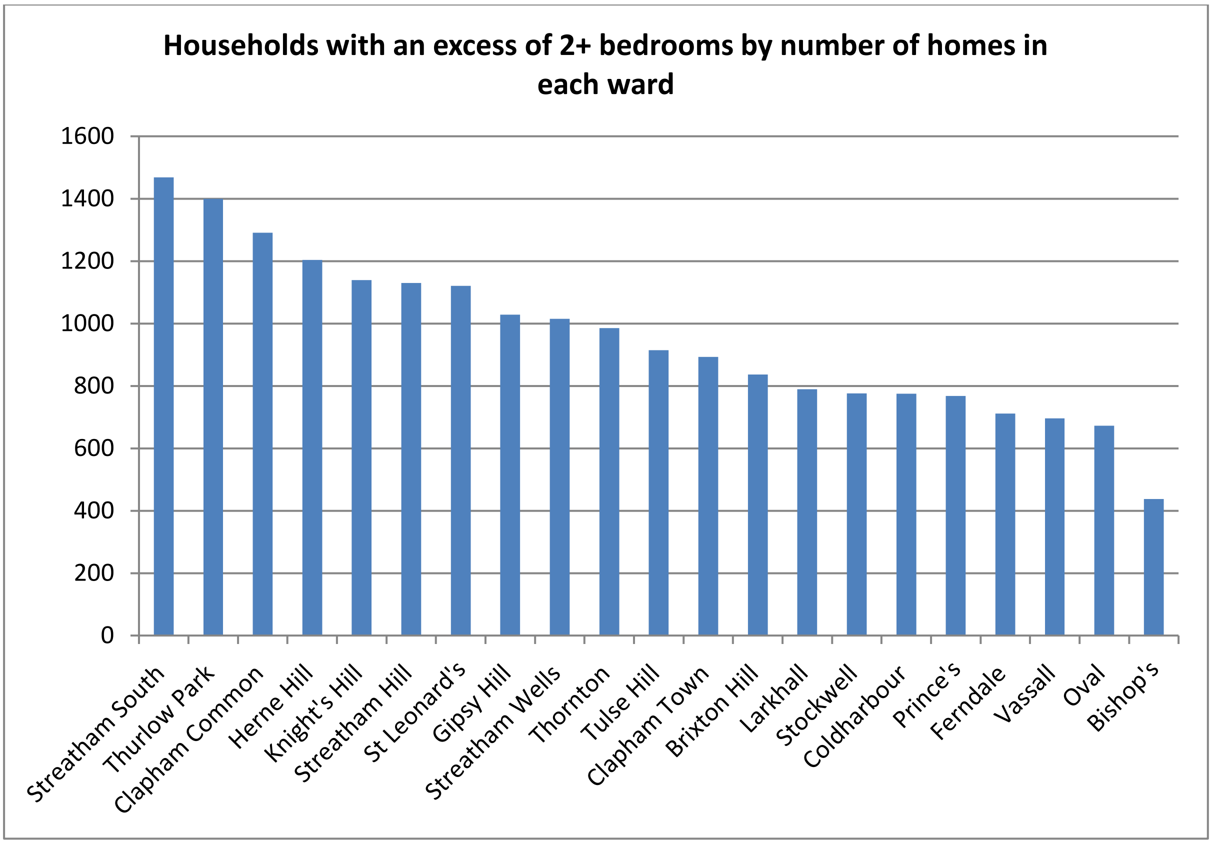

Figure 12 - Under occupation by 2+ bedrooms by ward, Census 2011

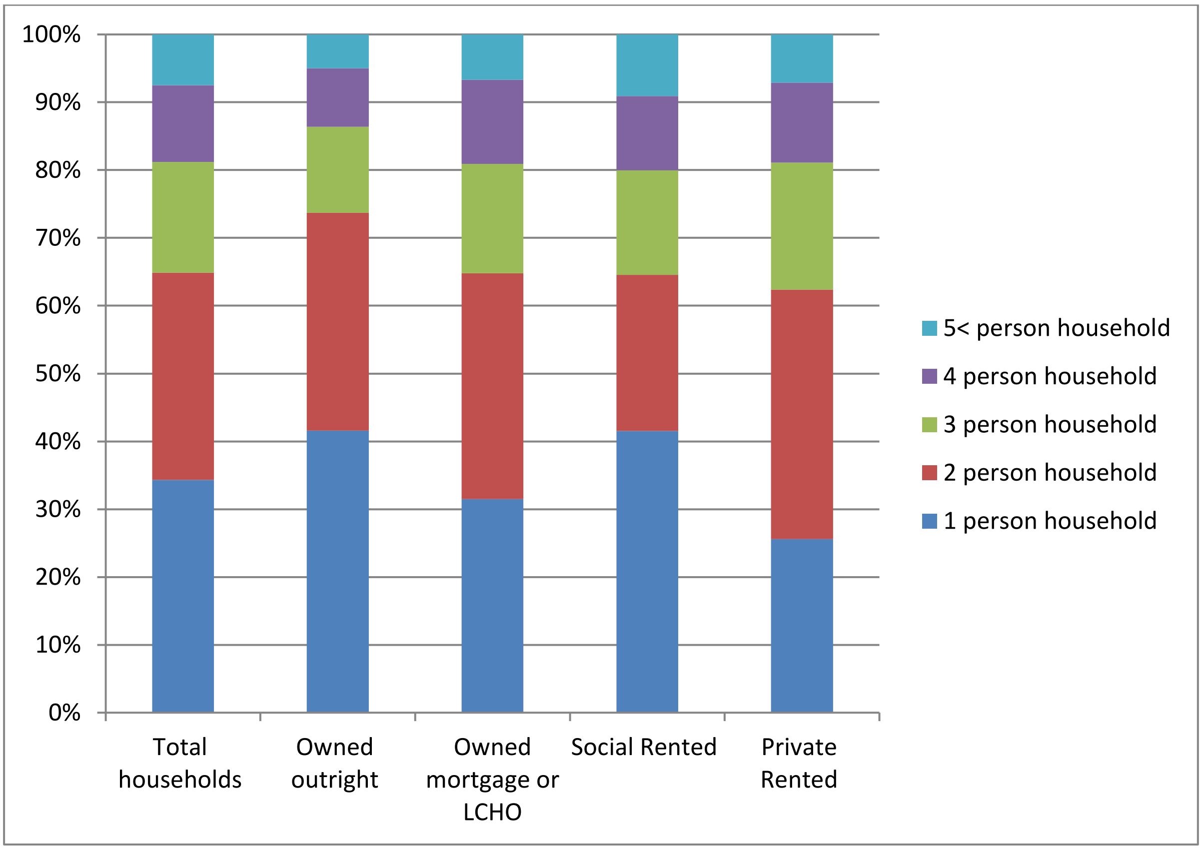

Figure 13 - Tenure by number of persons in each household, Census 2011

2.32. The large number of two person households in the private rented sector may indicate not only the high number of couples living in this sector, but also households consisting of two unrelated persons who are sharing accommodation.

2.33. By comparing the data on tenure by number of bedrooms and tenure by number of persons in each household, it is possible to conclude that under-occupation is more heavily concentrated in the owner-occupied sector than other tenures, especially the owned outright sector.

- 74 per cent of households in the owner-occupied sector consist of either one or two person households, yet only 38 per cent of housing stock in this sector consists of one or two bedroom housing stock, while 62 per cent consists of homes with three or more bedrooms.

By contrast:

- 62 per cent of households in the private rented sector consist of either one or two person households, while 72 per cent of homes in this sector have one or two bedrooms.

Future characteristics of Lambeth households

2.34. The overall Lambeth population is expected to increase by approximately 41,245 between 2016 and 2036 *(GLA population growth figures 2016),* from 328,237 residents in 2016 to 369,482 residents in 2036.

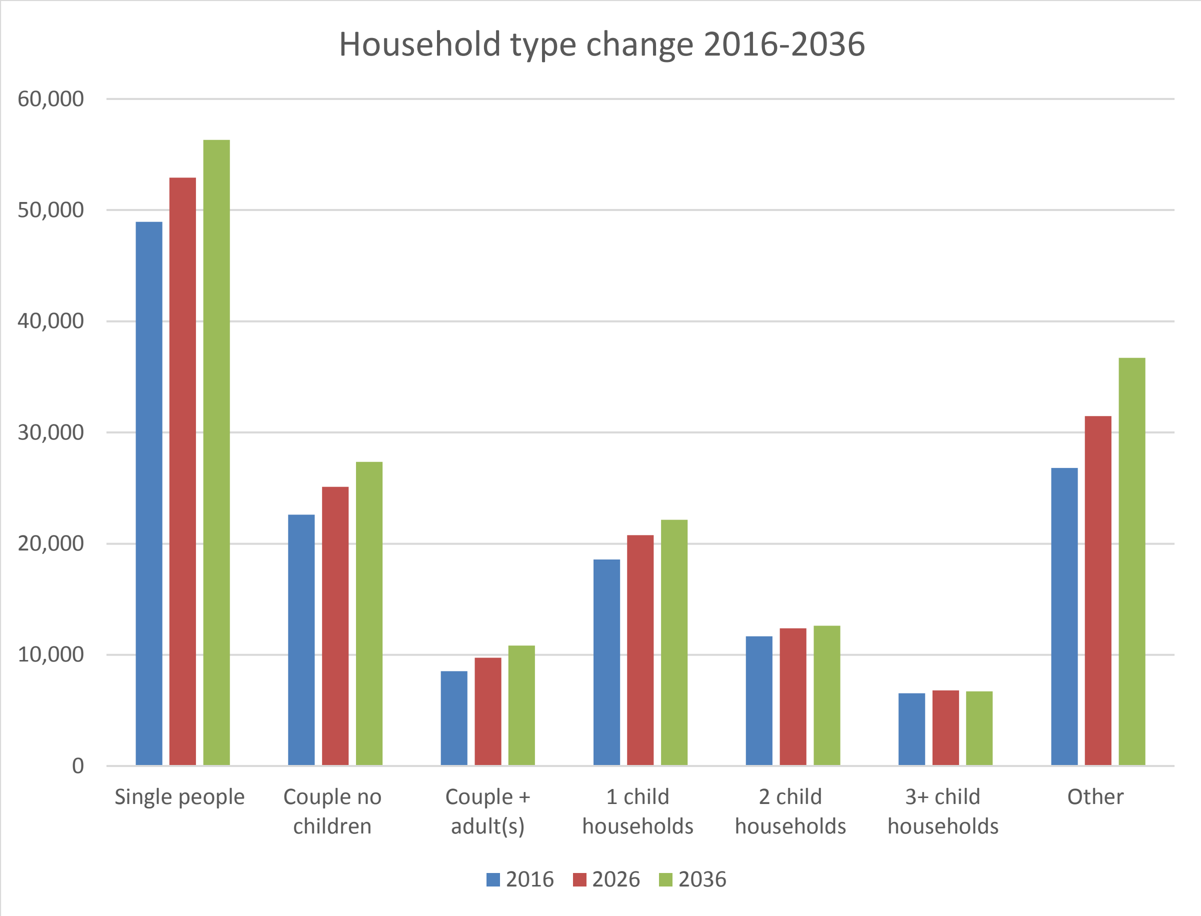

Figure 14 - Population Change 2016-2036, GLA, 2016 projections

2.35. Single-person households are expected to significantly increase in numbers, both among men and women, and there will continue to be more single male households than single female households. The number of single-person households is one of the largest increases across all household types, with nearly 8,000 more single-person households expected to form in the borough in the next 20 years. (GLA population projections: 2016 = 48,945, 2026 = 52,918, 2036 = 56,315).

2.36. Couples with no children are expected to increase steadily, with nearly 5,000 more of this type of household in 2036 than in 2016.

2.37. The number of one-child households will also rise, by around 3,500, but fewer larger families will come into the borough: two-child households increase by only around 1,000 and three-child households are likely to decrease by nearly 100.

2.38. There will be an increase of nearly 10,000 'other' households – the largest increase in any category. Most of these are assumed to be groups of (mostly younger) adults sharing a property, but the category also includes any arrangement of adults living together who are not parent and child and not a couple: brothers and sisters living together, a niece/nephew living with an elderly aunt/uncle, someone with a live-in carer who is not their partner, parent or child. Couples living with one or more other adults will also see a smaller but steady increase. (GLA population projections: 2016 = 8,533; 2026 = 9,746; 2036 = 10,823. Overall population growth by number of households: 2016 = 143,655; 2026 = 159,157; 2036 = 172,649.)

	% increase from 2016 to 2026	% increase from 2016 to 2036
Single people	8.1%	15.1%
Couple, no children	11.1%	21.1%
Couple+adult(s)	14.2%	26.8%
1-child households	11.8%	19.2%
2-child households	6.1%	8.1%
3+ child households	3.9%	2.8%
Other households	17.3%	36.9%
Overall	10.8%	20.2%

Table 6 - Proportional change in household types, 2016-2036, GLA 2016 round trend-based household projections

2.39. The overall picture is one of a borough with fewer families, especially larger families, and many more single people, couples without children, and younger adults sharing accommodation.

2.40. Sections 3 and 4 of this report consider the implications of these future household projections for future housing need in Lambeth.

Property prices and sales

2.41. According to Land Registry data, residential sales values in Lambeth have recovered since the lowest point in the cycle in May 2009. Average residential sales values in Lambeth experienced a decrease in the latter half of 2016. Other Inner London boroughs experienced a similar decrease during this period, which may have been attributed to the short-term reaction to the decision to leave the European Union in June 2016. However, average prices began to increase again from February 2017. By July 2017 average prices had reached £533,312, exceeding the previous peak of £530,164 in September 2016. Average prices in Lambeth continue to follow an upward trend.

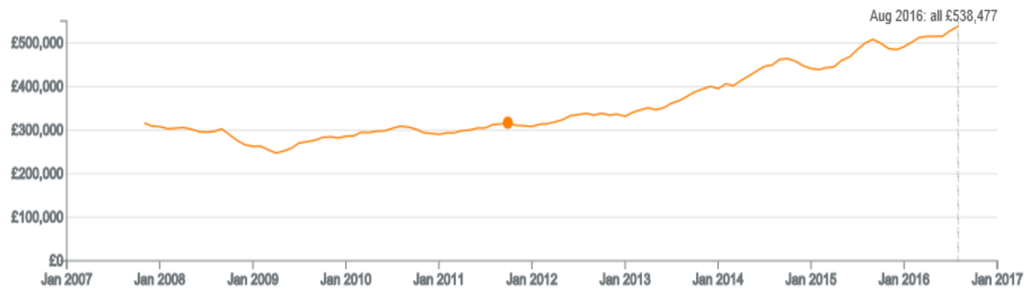

Figure 15 - Residential sales values in Lambeth 2007-2017, Land Registry

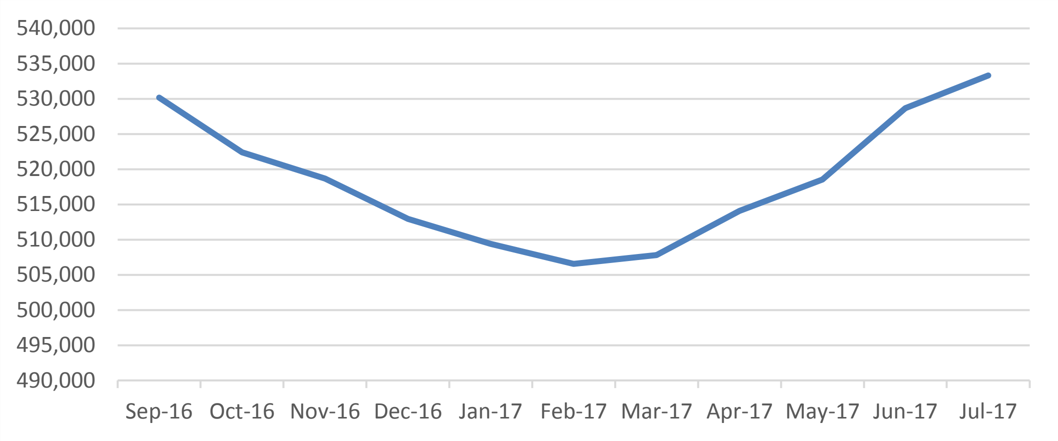

Figure 16 - Average house prices in Lambeth, September 2016 - July 2017, Land Registry

2.42. The future outlook for the housing market is unclear, particularly in light of Brexit. Compared to other London boroughs, prices in Lambeth have increased relatively slowly over the last 12 months, being 27th out for 33 boroughs. The statistics for April 2016 to April 2017 show a 1.4% growth in house prices during this twelve month period.

London borough	Inner or Outer	Apr-16	Apr-17	% Change
Haringey	Inner	£511,922	£558,003	9.00%
Enfield	Outer	£378,215	£407,921	7.90%
Newham	Inner	£337,626	£364,137	7.90%
City of Westminster	Inner	£966,369	£1,040,376	7.70%
Barnet	Outer	£517,408	£555,664	7.40%
Havering	Outer	£333,585	£358,251	7.40%
Bexley	Outer	£311,889	£334,191	7.20%
Barking and Dagenham	Outer	£266,744	£285,085	6.90%
Hounslow	Outer	£383,043	£409,591	6.90%
Hammersmith and Fulham	Inner	£778,280	£819,677	5.30%
Redbridge	Outer	£388,739	£409,248	5.30%
Hackney	Inner	£535,303	£562,638	5.10%
Kensington And Chelsea	Inner	£1,303,324	£1,369,708	5.10%
Croydon	Outer	£348,190	£365,445	5.00%
Greenwich	Outer	£366,843	£385,103	5.00%
Harrow	Outer	£451,488	£474,162	5.00%
Sutton	Outer	£360,226	£376,836	4.60%
Hillingdon	Outer	£394,462	£411,748	4.40%
Richmond upon Thames	Outer	£647,205	£674,239	4.20%
Bromley	Outer	£422,301	£439,112	4.00%
Ealing	Outer	£477,227	£495,986	3.90%
Merton	Outer	£503,813	£519,170	3.00%
Tower Hamlets	Inner	£456,740	£470,021	2.90%
Waltham Forest	Outer	£410,743	£420,348	2.30%
Lewisham	Inner	£400,772	£407,777	1.70%
Kingston upon Thames	Outer	£478,030	£485,118	1.50%

London borough	Inner or Outer	Apr-16	Apr-17	% Change
Brent	Outer	£485,099	£492,033	1.40%
Lambeth	**Inner**	**£514,092**	**£521,198**	**1.40%**
Southwark	Inner	£514,789	£521,032	1.20%
Islington	Inner	£640,534	£637,347	-0.50%
City of London	Inner	£805,320	£799,732	-0.70%
Wandsworth	Inner	£604,127	£590,670	-2.20%
Camden	Inner	£838,254	£814,188	-2.90%

Table 7 - London Borough price increase, April 2016 - April 2017, Land Registry

Rent levels in the private rented sector

2.43. The Greater London Authority London Rents Map gives the level of lower quartile private rents in Lambeth in January 2017 as:-

- Studio = £183 per week £793 per month
- 1 bedroom = £275 per week £1,192 per month
- 2 bedroom = £334 per week £1,447 per month
- 3 bedroom = £426 per week £1,846 per month
- 4 bedroom = £555 per week £2,405 per month

2.44. The following graph shows how the overall levels of monthly private rents, both lower quartile and median average, rose in Lambeth between 2011 and 2017:-

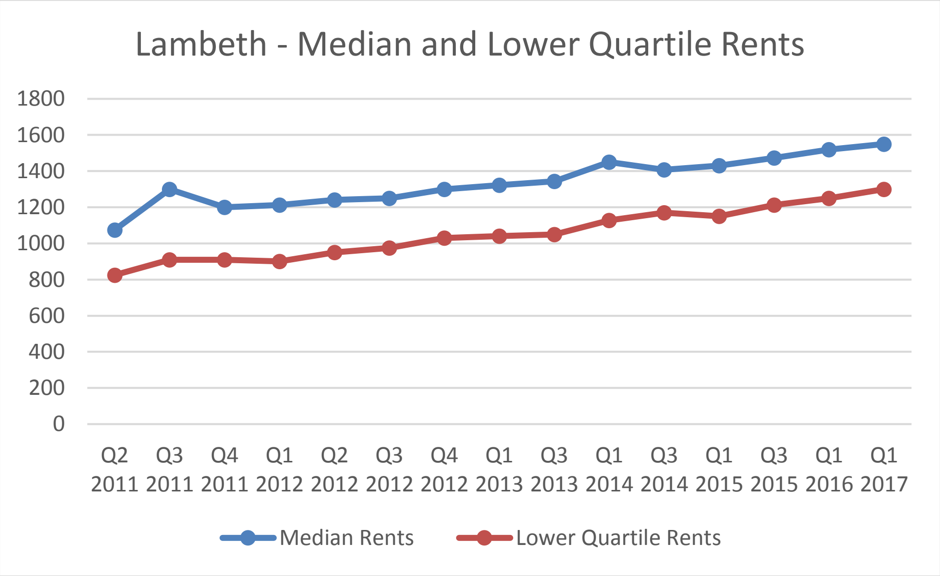

Figure 17 - Historic rents, DCLG

2.45. Monthly rental levels are higher in Lambeth than London as a whole, with the exception of upper quartile rents, which are comparable. Lower quartile rents are comparable to those recorded for Inner London, while upper quartile and median monthly rents are lower.

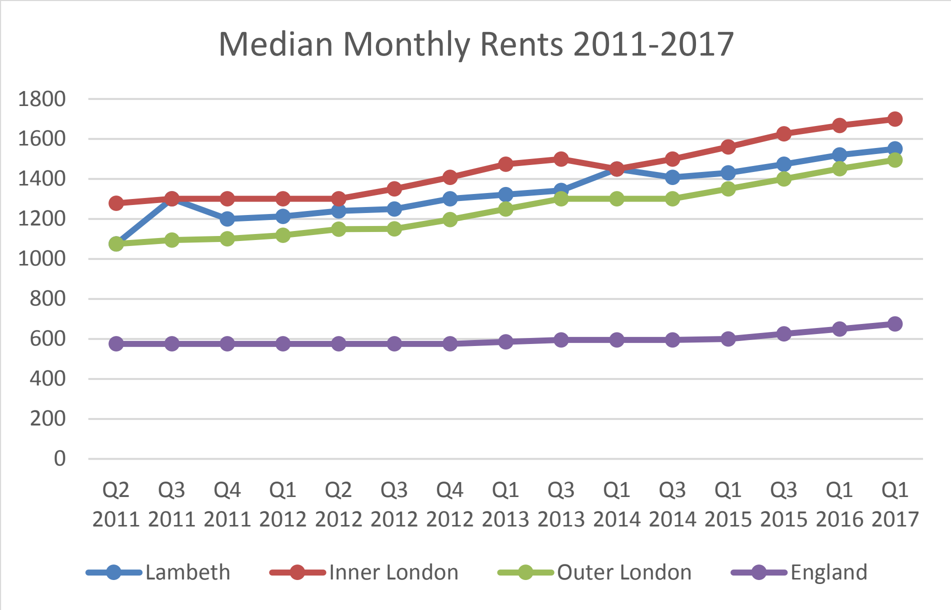

Figure 18 - Historic rents, DCLG

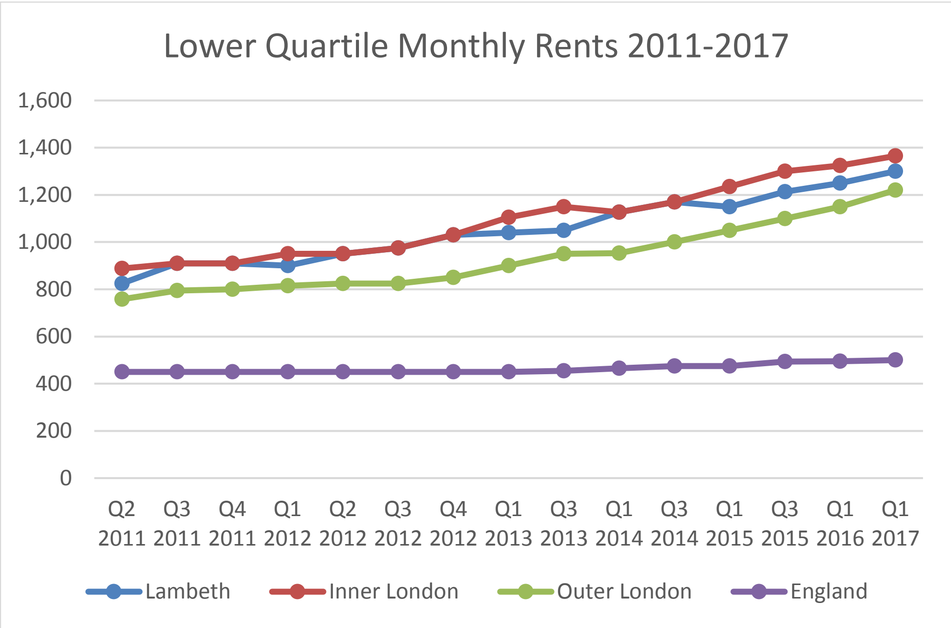

Figure 19 - Historic rents, DCLG

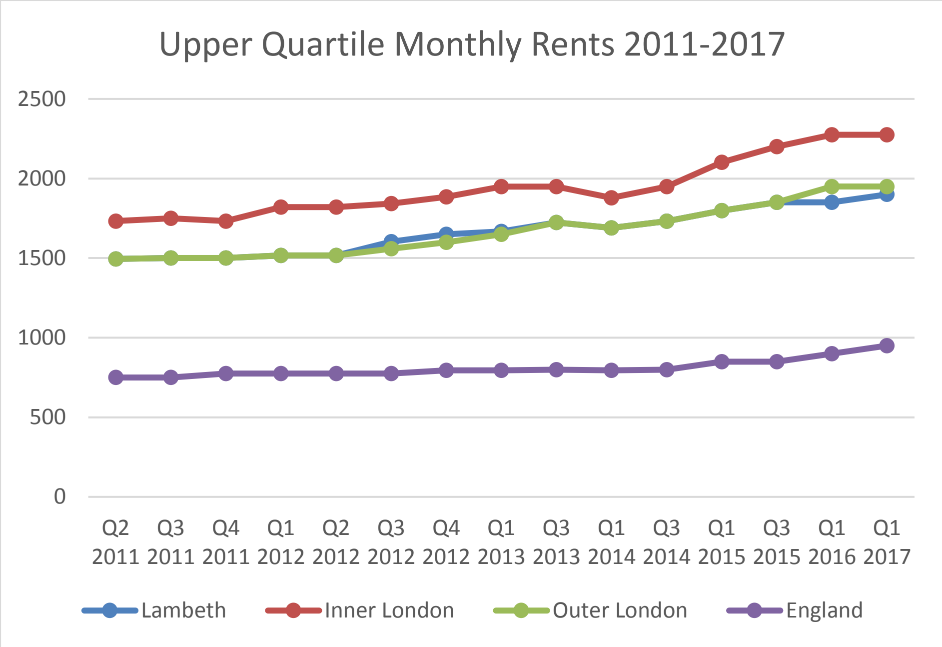

Figure 20 - Rents in Lambeth, London and England 2011-17, DCLG

Household Income

2.46. There are a variety of possible sources for income data. Although individual earning data is readily available, at a household level it is more difficult. The household income data used in this report is from CACI[3] which provides the necessary granular level of detail breaking down the data into 10 earning bands.

Number and percentage of households per Income Band

• <£5,000 - £20,000	31,884 households	21.8%
• £20,000 - £40,000	58,609 households	40.0%
• £40,000 - £60,000	31,000 households	21.1%
• £60,000 - £80,000	13,021 households	9.0%
• £80,000 - £100,000	6,251 households	4.2%
• £100,000 - £200,000+	5,659 households	3.8%

Source:- CACI Paycheck data for 2017.

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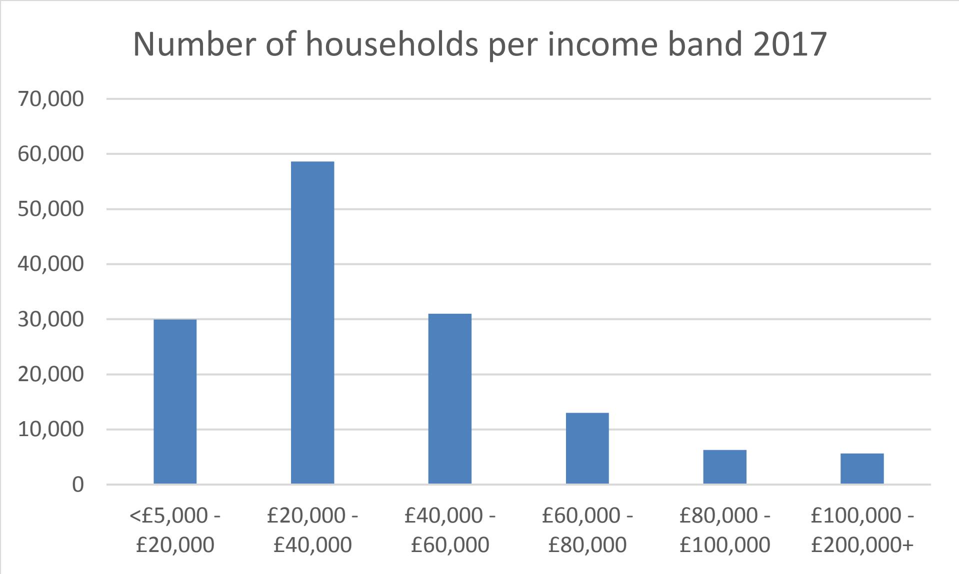


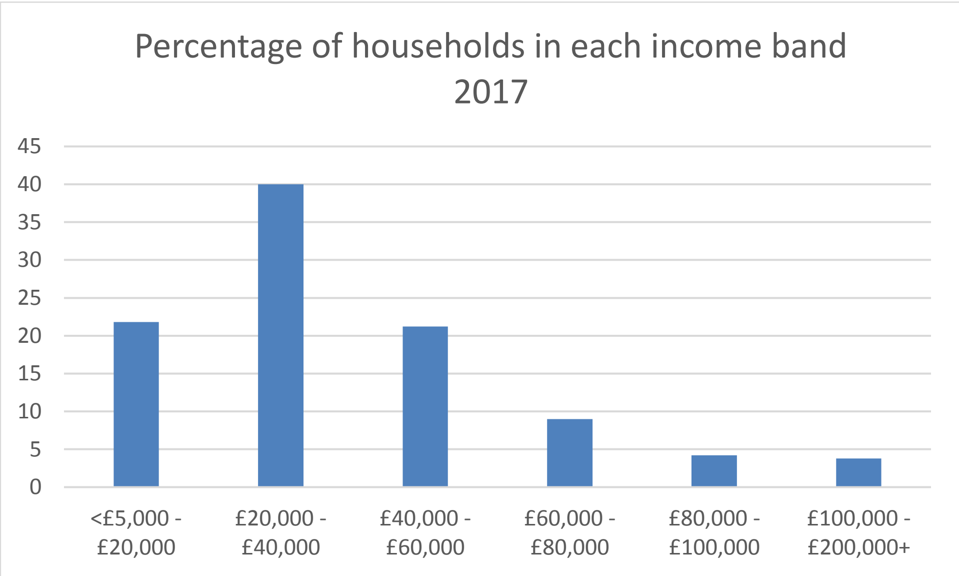


Figure 21 - CACI Income Data 2017

2.47. The above data shows that 61.8% of Lambeth's households have an annual income of £40,000 or less, and that over a fifth of households have an income of less than £20,000 a year (21.8%). A total of 21.1% earn £40,000-£60,000, 9.0% earn £60,000-£80,000 and 11.5% earn over £80,000. In June 2017 the median household income in Lambeth was £33,280 and the mean household income was £39,986. This emphasises the heavy concentration of households in lower income bands.

2.48. The GLA also produce household income figures which, although these are not available with a detailed split into different income bands, show median (£38,490) and mean (£48,610) average household earnings to be respectively around **16% and 22% higher** than the CACI figures as in June 2017. Figure 22 - Average household income, GLA Datastore compares the GLA data for Lambeth from 2001/2 to 2012/13 with that for London and the UK as a whole. The Lambeth figures are very similar to those for the whole of London.

2.49. Both approaches use complex modelling from a variety of sources, include multiple presumptions and do not differentiate incomes between different types of households with variables such as size and age. Historic CACI data is not freely available. The figure underneath shows how income in Lambeth, London and nationally have changed from 2000-2013 using GLA data.

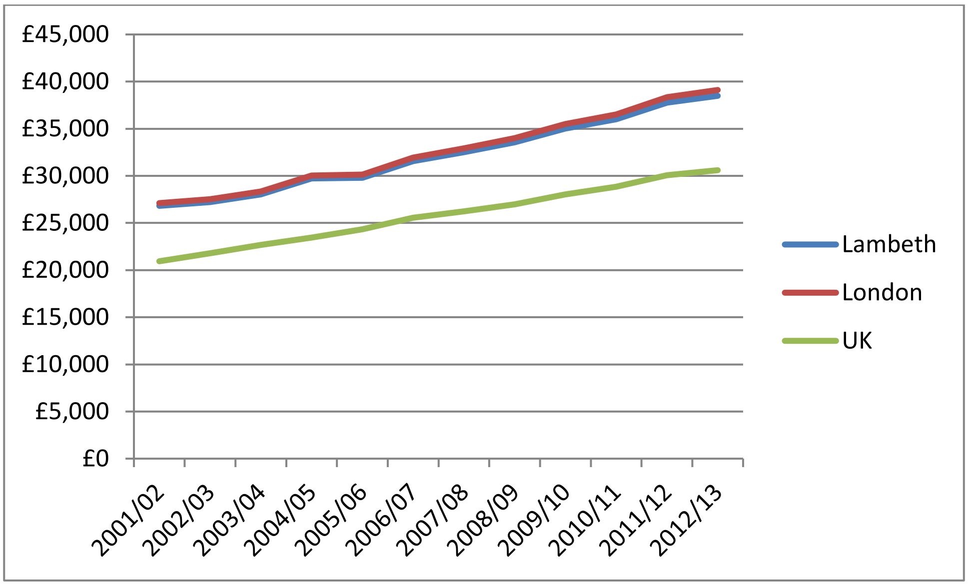


Figure 22 - Average household income, GLA Datastore

Housing-related Benefit Claimants

2.50. In March 2016 a total of 38,158 households in Lambeth were claiming some form of housing-related benefit, 27.4% of all households in the borough. Of these households, 81.6% were tenants of the social rented sector and 18.4% were tenants of the private rented sector. Of tenants in the social rented sector, 68.1% were claiming full Housing Benefit and 31.9% were claiming partial Housing Benefit. Of tenants in the private rented sector, 53.5% were claiming full Local Housing Allowance and 46.5% were claiming Partial Housing Allowance.

2.51. The number of claimants of Partial Housing Benefit and Partial Local Housing Allowance demonstrates the level of need among households on low to medium incomes for either affordable housing or a level of housing-related assistance in order to access market housing. 20% of those renting privately and claiming LHA have incomes in excess of £34,000 and 10% in excess of £38,000.

Jobs and travel to work

2.52. Employment levels in Lambeth are high, well above the London and national averages (80.8% for Lambeth compared to 73.8% and 74.0% respectively, NOMIS January – December 2016

2.53. Lambeth has a much higher proportion of people aged in their 20s and 30s compared to other areas of London, with lower proportions for other age groups. Lambeth residents often work in professional and managerial occupations and earn incomes that compare well with the London average.

2.54. Lambeth residents are much more likely to commute to work in other boroughs than to work in Lambeth. Only 21,000 people live and work in the borough, whereas 115,000 residents commute to work elsewhere – with over 40,000 going to Westminster and the City of London. Conversely 85,000 people come to Lambeth from other areas to work. (Data from Census 2011, reported in the Lambeth Investment and Opportunity Strategy 2015.)

2.55. This is also reflected in the high levels of skills and qualifications that Lambeth residents hold. 154,200 of the 242,000 working-age residents in Lambeth have qualifications equivalent to NVQ Level 4 (Higher National Diploma, foundation degree), with just 14,900 residents not having any qualifications at all. This profile has changed over the last five years as the number of residents with higher levels of qualifications has increased and the number with no qualifications has fallen rapidly. Similarly, there has been an increase in the proportion of residents working in professional and managerial occupations and a decrease in those working in elementary occupations (see Lambeth Investment and Opportunity Strategy 2015).

2.56. However, with increasing polarisation of the labour market, there are now more people on low pay, with an estimated 19 percent of employees in Lambeth earning less than the London Living Wage. In the council's 2015 annual residents' survey, Black Caribbean residents, those aged 35-54 and social housing tenants were more likely to say that their financial circumstances had worsened over the last year (see Lambeth Investment and Opportunity Strategy 2015).

2.57. Unemployment has fallen dramatically in Lambeth since 2010 and for the first time is now lower than the London and national rate. There were 12,900 residents who were unemployed in January – December 2016. Those still out of work are likely to be facing complex barriers to employment such as ill-health, childcare or caring responsibilities, lack of skills or confidence or criminal records. Social housing tenants, black and minority ethnic (BAME) residents and residents over 50 are more likely to be unemployed than other residents. The largest numbers of residents on out-of-work benefits are those with health problems. In November 2016 there were 12,350 people claiming Employment Support Allowance and incapacity benefits, 4,110 claiming Job Seeker's Allowance (JSA) and more than 2,750 claiming Lone Parent benefits. Of those claiming Out of Work benefits, 740 were 18-24 year olds, which represents 2.7 per cent of the population compared to 2.5 per cent across London. (NOMIS data November 2016) There were an estimated 160 16-18 year olds not in employment, education or training (NEET) in Lambeth in December 2015 (NOMIS data).

2.58. Lambeth operates as part of the wider London jobs market as well as the wider London housing market and complex commuting patterns exist within London and with surrounding areas. Lambeth residents are much more likely to commute to work in other boroughs than to work in Lambeth. Only 21,000 people live and work in the borough, whereas 115,000 residents commute to work elsewhere – with over 40,000 going to Westminster and the City of London. Conversely 85,000 people come to Lambeth from other areas to work. (Data from Census 2011, reported in the Lambeth Investment and Opportunity Strategy 2015.)

2.59. The GLA produce projections of future labour market demand in London using historical trends, transport accessibility and site capacity estimates. The GLA projections estimate that the number of jobs in London will increase from 5,579,000 in 2016 to 6,253,000 in 2031. This equates to an increase of twelve per cent (around 674,000 jobs) in London over this period, with an annual average growth of around 40,000 jobs per year. The number of jobs in Lambeth is projected to increase by 16,000 over the same period (from 177,000 to 193,000, an increase of 9 per cent), which would equate to just under 1,000 additional jobs per year (GLA Employment projections 2016).

2.60. The commuter flows described above indicate that there is no direct relationship between the number of people living and working in most London boroughs. Every borough makes a contribution to both jobs and housing for workers across the capital, but no borough or group of boroughs is self-contained in this respect. It is not therefore possible to calculate the impact of future employment growth at borough-level on the need for housing at borough-level.

Deprivation

2.61. The latest deprivation data is the 2015 Index of Multiple Deprivation (IMD). The IMD 2015 places Lambeth as the 8th most deprived borough in London and the 22nd most deprived in England. This is an improved position since 2010 when Lambeth was ranked the 14th most deprived local authority in England.

2.62. The IMD focuses on the 32,482 Lower Super Output Areas (LSOAs) in England, ranking them according to their level of deprivation; the lower the ranking of a LSOA, the higher its level of deprivation. Lambeth contains a total of 178 LSOAs.

2.63. There are ten measures of deprivation within the IMD: Overall deprivation, Income-related deprivation, Income-related deprivation affecting older people, Income-related deprivation affecting children, Living Environment, Barriers to housing and services, Employment, Health, and Education and skills.

2.64. Using the number of Lambeth LSOAs in the top three most deprived deciles for each measure of deprivation, Lambeth is most deprived in terms of the following types of deprivation:

	1st decile (most deprived) – number of Lambeth LSOAs	2nd decile – number of Lambeth LSOAs	3rd decile – number of Lambeth LSOAs
Crime	96	44	24
Income-related deprivation among older people	72	44	24
Living Environment	66	73	36
Income-related deprivation among children	39	54	31
Barriers to housing and other services	39	45	37

Table 8 - Deprivation in Lambeth, 2015 Index of Multiple Deprivation

2.65. Using the same measure, Lambeth is least deprived in terms of the following types of deprivation:

	1st decile (most deprived) – number of Lambeth LSOAs	2nd decile – number of Lambeth LSOAs	3rd decile – number of Lambeth LSOAs
Income-related deprivation overall	15	45	31
Overall deprivation	13	46	39
Employment	8	26	32
Health	6	12	34
Education and Skills	-	-	2

Table 9 - Deprivation in Lambeth, 2015 Index of Multiple Deprivation

2.66. It is significant that Lambeth ranked highly in terms of deprivation related to 'Barriers to housing and other services' which include:

- household overcrowding: the proportion of all households in a Lower Super Output Area which are judged to have insufficient space to meet the household's needs

- homelessness: Local authority district level rate of acceptances for housing assistance under the homelessness provisions of the 1996 Housing Act, assigned to the constituent Lower Super Output Area
- housing affordability: Difficulty of access to owner-occupation or the private rental market, expressed as the inability to afford to enter owner-occupation or the private rental market.

Affordability

2.67. Lambeth, like many other London boroughs, has high sale and rental prices and has experienced worsening affordability in recent years. As previously set out market trends in Lambeth generally reflect those seen across other Inner London boroughs and London as a whole. Sales and rental values in Lambeth are above London averages, which is to be expected given higher value areas particularly in the north of the borough. Values are comparable to other Inner London boroughs.

2.68. Assessing affordability involves comparing house costs against the ability to pay. The PPG advises using the ratio between lower quartile house prices and the lower quartile income or earnings to assess the relative affordability of housing.

2.69. In response to this, the Mayor's Housing SPG 2016 provides comparative data on the ratio of lower quartile house prices to lower quartile earnings across all London boroughs and for inner and outer London. This is set out in Annex 1 of the SPG and is intended to assist boroughs in assessing their relative level of affordability and any implications for housing need.

2.70. The ratio for inner London is 10. Lambeth's ratio is very close to this at 10.24. The range for inner London is between 18.11 for Westminster and 7.91 for Tower Hamlets. The figures for neighbouring boroughs are 9.72 for Southwark, 14.36 for Wandsworth, 11.7 for Merton and 8.32 for Croydon.

2.71. On the basis of these figures, Lambeth's affordability ratio is in line with that for inner London as a whole and does not differ significantly from those of its neighbouring authorities, although Lambeth's ratio is clearly lower than Wandsworth's to the west. Therefore, although affordability is a significant issue in Lambeth as it is across the whole of inner London, it does not disproportionately affect Lambeth when compared with similar authorities in the region.

3. Affordable housing need

3.1. This Chapter considers the level of affordable housing need in Lambeth, following the methodology in national planning practice guidance – "[Plan makers] will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market." PPG: para 22.

3.2. This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.

3.3. A household is considered unable to afford market housing, either buying (spending up to a maximum of 3.5 times income) or renting, at more than a certain proportion of income. CLG has previously suggested that 25% of gross household income is a good starting point as a maximum spend on rent but that a higher point could be considered. We note from the English Housing Survey 2015-2016 that 'Excluding housing benefit, the average proportion of income spent on rent was 42% for social renters and 52% for private renters'[4], and that pressures in London are particularly high. When carrying out financial vetting for landlords, letting agents generally allow tenants to spend up to 40% of their gross income. As such this report considers affordability at the 40% and 30% thresholds.

3.4. Incomes are taken from CACI data, discussed earlier in Chapter 2. The model assumes that all different types of household earn the same, regardless of household size.

3.5. As the table below shows, homeownership is more expensive than renting, even on the assumption that households are able to find a 10% deposit, and it is entry into the private rented sector that is considered as the ability to afford market housing.

	LQ Weekly Rent January 2017	LQ House Prices June 2017	Min rent income @30%	Min rent income @ 35%	Min rent income @40%	Min income house buy @ 3.5 times with 15% deposit
Bedsit	£183	Unavailable	£31,720	£27,189	£23,790	Unavailable
1 Bed	£275	£263,088	£47,667	£40,857	£35,750	£63,893
2 Bed	£334	£383,844	£57,893	£49,623	£43,420	£93,219
3 Bed	£426	£715,140	£73,840	£63,291	£55,380	£173,677
4 Bed	£555	Unavailable	£96,200	£82,457	£72,150	Unavailable

Table 10 - Property sizes, lower quartile prices and minimum incomes required

3.6. Further information on affordability thresholds is available in Appendix 1.

4 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461442/Chapter_2_Comparison_of_Tenure_Groups.pdf

Unmet need for affordable housing

3.7. PPG paragraph 24 states that unmet gross need for affordable housing should be established by assessing past trends and recording current estimates of the numbers of: homeless households; those in priority need and currently housed in temporary accommodation; households in overcrowded housing; concealed households; existing affordable housing tenants in need (i.e. households currently housed in unsuitable dwellings; and households from other tenures in need and those that cannot afford their homes. It adds that care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Category, number (proportion requiring affordable housing)	Comments
Homeless Households	Covered in temporary accommodation
Temporary Accommodation 1,992	Income data is not available, it is presumed that all theoretically require affordable housing, although in reality many of these households will live in private rented accommodation with housing benefit support. The total number of households in temporary accommodation was **1,992** as on 31 March 2017. Of those, approximately 23% require 1 bed, 49% 2 bed and 24% 3 bed and 4% 4 bed.
Overcrowded households 2,700	Taken from the housing waiting list, June 2017. Overcrowded households in social housing are not considered here, as if provided with a new home they free up an existing space, however it is a consideration in terms of the size split required for affordable housing. Overcrowded households in temporary accommodation have also been removed from the list as they are covered in the category above. It is assumed that all overcrowded households in private sector housing are unable to afford a larger property at market rates
Concealed households 2,217 (1,717, max 30% income or 1,358, max 40% income).	Derived from the Census 2011. The Census 2011 stated that there was a total of 2,012 concealed households in Lambeth of whom 43% (844) require one bed accommodation and 57% (1128) require two bed accommodation. The total of concealed households has been uplifted to 2,217 to take account of household growth to 2017 and the numbers for 43% and 57% uplifted accordingly. Average household incomes were compared to lower quartile private rents to determine the proportion requiring affordable housing (see glossary).

Affordable housing tenants in need	These are not considered here. As with overcrowded households, meeting their need would free up a space for another household, but are considered in later in terms of the size mix for affordable housing.
Number of households from other tenures in need and those that cannot afford their homes	There are 368 applicants on the housing register list with an emergency or urgent medical priority. Income data on this group is not known, but all are eligible and presumed to require affordable housing. *(Housing Register April 2017)*
Households that lack basic facilities and those that are subject to major disrepair or that are unfit for habitation	The council does not have a reliable data source that avoids double counting with the other categories, but numbers are very low and local authorities have powers to deal with unfit dwellings.

Table 11 - Backlog affordable housing need categories

3.8. Total backlog need requiring affordable housing, based on 40% of income, is 6,418, or **321 per year** when cleared over a twenty year period.

Type	1 bed	2 bed	3 bed	4 bed	Total
Temporary Accommodation	458	976	478	80	1,992
Overcrowded	0	1768	782	150	2,700
Concealed	525	833	0	0	1,358
Urgent medical priority	178	120	48	22	368
Total	1,161	3,697	1,308	252	6,418

Table 12 - Backlog affordable need by bedsize based on 40% of income

3.9. Total backlog need requiring affordable housing, based on 30% of income, is 6,777, or 339 per year when cleared over a twenty year period.

Type	1 bed	2 bed	3 bed	4 bed	Total
Temporary Accommodation	458	976	478	80	1992
Overcrowded	0	1768	782	150	2,700
Concealed	687	1,030	0	0	1,717
Urgent medical priority	178	120	48	22	368
Total	1,323	3,894	1,308	252	6777

Table 13 - Backlog affordable need by bedsize based on 30% of income

Newly arising affordable housing need

3.10. PPG paragraph 025 explains how the number of newly arising households likely to be in affordable housing need should be calculated (gross annual estimate). It states that projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent, and an estimation of the number of households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes to house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing. In summary:

Total newly arising affordable housing need (gross per year) = (the number of newly forming households x the proportion unable to afford market housing) + existing households falling into need.

3.11. The GLA's population projections can be used to provide the overall net need for different types of households, and show a very small net number of larger households with the majority of growth being for single person or couples. However, when looking at newly arising need it is necessary to consider gross household formation, and what those newly forming households are able to afford.

3.12. Using household projection data, it is possible to calculate for each ten-year population cohort the change in the headship rate between one point in time and ten years on from that point. This can be identified by looking at the change in headship rate between the group at the first date (e.g. 16-25 year olds in 2016) and that for the next oldest cohort at the second date (e.g. 26-35 year olds in 2026). When divided by ten, this gives the annual number of extra households formed by this cohort.

3.13. Most household formation is concentrated in the younger household age ranges. Three age groups are considered: 15 to 24 year olds, 25 to 34 year olds, and 35 to 44 year olds. To give an example, in 2016 there were 4,249 single male households aged 25-34. If the population were to remain static, there should be the same number of single male households aged 35-44 in 2026. Actually the number has increased to 6,960, and this can be used as an indication of new household formation.

3.14. The figures in the table below are taken from the GLA's 2016 round of trend-based household projections for Lambeth, and represent yearly averages found by dividing the overall change in each category from 2016 to 2026 by 10. The Local Plan period runs for longer than this, to 2036, but will be subject to review before this time, and for the purposes of calculating affordable housing need this chapter of the SHMA focusses on the first ten years of the population projections.

2016-2026	Change in 15-24	Change in 25-34	Change in 35-44	Total new households	Households eligible for affordable housing	Bedsize required
Single men	55	214	271	540	Yes	Studio
Single women	43	119	194	356	Yes	Studio
Couple, no children	30	826	-111	856	Yes	1
Couple+other adult(s), no children	20	205	-111	225	No	2 or more
1 child households	97	291	254	642	Yes	2
2 child households	32	143	322	497	Yes	2 or 3
3+ child households	14	107	186	307	Yes	3 or 4
Other households	290	952	-580	1,242	No	various
Total number of newly forming households eligible for affordable housing	271	1,700	1,227	**3,198**		
Total number of newly forming households	581	2,857	1,227	**4,665**		

Table 14 - New household formation 2016-2026, GLA household projections 2016

3.15. It is likely that “Other” households in this age range comprise mostly shared accommodation, i.e. groups of adults renting a property together, so affordable housing is not suitable for this group. Within the broad ‘other’ category and the ‘couple + other adult(s), no children’ category, there may be some household compositions for whom affordable housing may be suitable, but it is assumed that for the majority of households it would not be. In Lambeth’s allocation policy, adults in the household over the age of 21 and their dependents are disregarded, except for:

- The main applicant and their partner
- Persons over the age of 65
- Persons who are disabled and require care, and

• Persons who are providing care to someone in the household who is disabled and requires care.

3.16. For the table below, the households identified in table 16 above that are eligible for affordable housing are set out next to the expected number of bedrooms required.

	Bedrooms	**New households per year**
single people	Studio	896
couples	1	856
1 child	2	642
2 children (sharing room) *assuming 60% can share as either under 10, same sex, or both	2	298
2 children (separate rooms)	3	199
3+ children	3	230
3+ children	4	77
Total		3,198

Table 15 - Housing requirements for those eligible for affordable housing

The following table shows, using the above information, how many new or newly available properties of each size would be needed per year. Then the percentage of these homes that need to be affordable options is worked out based on the percentage of households who cannot afford the current lower quartile market rent.

Property size	Properties needed per year to match demand:	Needing affordable (30% of income):	No. @ 30% income	Needing affordable (40% income)	No. @ 40% income
Studio	896	48%	430	30%	269
1 bedroom	856	72%	616	55%	471
2 bedroom	940	82%	771	66%	620
3 bedroom	429	90%	386	79%	339
4 bedroom	77	97%	75	92%	71
Total	3,198		2,278		1770

Table 16 - New households eligible for affordable housing - % who require affordable housing

	30% income	40% income
Number of newly forming households not eligible for social housing	1,467	1,467
Number of newly forming households eligible for social housing but **able** to afford market housing	920	1,428

Number of newly forming households eligible for social housing and **unable** to afford market housing	2,278	1,770
Total of newly forming households	4,665	4,665

Table 17 - Summary of the newly formed households able/unable to afford market housing

Existing Households Falling into Need

3.17. Based on Lambeth's homelessness acceptance figures (P1E quarterly homelessness return), an estimated 148 existing households each year become homeless due to termination of an assured shorthold tenancy (the numbers of households accepted for assistance for this reason were:- 2016-2017 = 115 households, 2015-2016 = 132 households, and 2014-2015 = 196 households). There are negligible mortgage repossessions (The numbers of households accepted for assistance for this reason were:- 2016-2017 = 1 household, 2015-2016 = 2 households, and 2014-2015 = 2 households). Social housing tenants who lose their homes are not considered as part of this calculation as they free up a space that can be used by a different household. Data on the incomes of existing households falling into need is not available and but it is presumed they are unable to afford market housing.

Housing Supply

3.18. The next stage is to consider existing housing supply. Surplus stock can be a source of affordable housing in areas of low demand, although this is not applicable in Lambeth which has a low rate of voids.

3.19. There is a committed supply of affordable units as per the tables below.

Beds	Affordable Rent	Intermediate	Social Rented	Market	Grand Total	Total Affordable
1	14	40	78	418	588	132
2	41	41	87	589	836	169
3	35	4	81	160	313	120
4	3	0	7	54	67	19
5	0	0	0	11	11	0
6	0	0	0	1	2	0
TOTAL	93	85	253	1233	1816	431

Table 18 - Current unimplemented planning permissions 2016/17, London Development Database

Beds	Affordable Rent	Intermediate	Social Rented	Market	Grand Total	Total Affordable
1	231	268	168	2333	3000	667
2	179	338	382	2748	3647	899
3	101	40	262	782	1185	403
4	6	2	56	98	162	64
5	0	0	7	23	30	7

6	0	0	8	0	8	8
TOTAL	517	648	883	5984	7032	2048

Table 19 - Units under construction 2016/2017, London Development Database

	Affordable Rent	Social Rent	Intermediate	Total
Units under Construction	517	883	648	2048
Unimplemented planning permission	93	253	85	431
Total	610	1136	733	2479

Table 20 - Net development pipeline 2016/17, London Development Database

3.20. PPG also asks authorities to identify the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need. What is important to consider here is the net figure. To avoid double counting, only non-transfers (i.e. households not currently living in affordable housing for rent let by a social landlord) are included. Over the last three years there has been an average of 968 per year. LB Lambeth internal data has been used instead of CORE as these figures are considered by the council to be more reliable. Information provided by the GLA indicates that on average we should expect 100 intermediate housing re-lets each year.

	2014-2015			**2015-2016**			**2016-2017**			
	LBL	**HA**	**Total**	**LBL**	**HA**	**Total**	**LBL**	**HA**	**Total**	**Avg**
Non-Transfers										
Studio	41	31	72	259	235	494	51	34	85	**469**
1-bed	209	204	413				209	135	344	
2-bed	157	168	325	159	149	308	133	110	243	**292**
3-bed	87	61	148	124	78	202	112	52	164	**171**
4-bed+	24	7	31	31	18	49	21	7	28	**36**
Total	518	471	989	573	480	1,053	526	338	864	**968**

Table 21 - Social lettings to non-transfer applicants, London Borough of Lambeth Housing

Backlog need

Households not currently in social housing, in housing need and unable to afford market housing
Temporary Accommodation 1,992
Overcrowded 2,700
Concealed 1,358
Urgent medical 368
6,418 net need
= 321 annualised over 20 years

Newly Arising

Newly forming households 3198
- 1,428 able to afford market housing
=1,770
+ 148 existing households falling into need
= 1,918

2,239 gross annual need

- 968 social lettings (existing properties)
- 100 intermediate relets
- 87 net pipeline for social and affordable rent
- 37 net pipeline intermediate

= 1,047 NET NEED

Figure 23 - Summary of affordable housing need @40% income

Backlog need

Households not currently in social housing, in housing need and unable to afford market housing
Temporary Accommodation 1992
Overcrowded 2700
Concealed 1717
Urgent medical 368
= 6777 net need
= 339 annualised over 20 years

Newly Arising

Newly forming households 3198
- 920 able to afford market housing
= 2278
+ 148 existing households falling into need
= 2426

2,765 gross annual need

- 968 social lettings (existing properties)
- 100 intermediate relets
- 87 net pipeline for social and affordable rent
- 37 net pipeline intermediate

= 1,573 NET NEED

Figure 20 - Summary of affordable housing need @30% income

Who can afford other 'affordable' housing products?

3.21. The national Affordable Rent product introduced in 2011, under which rents can be up to 80 per cent of market rent, is not included in the London Affordable Homes Programme 2016-2021. This is because the Mayor does not consider this level of rent to be affordable in most parts of London. This study does not consider the relative affordability of 'affordable rent' compared to social rent as it is presumed that both products are affordable, generally through housing benefit support. Fifty-eight percent of Lambeth council tenants are in receipt of housing benefit (November 2016). Lambeth's current tenancy policies support a higher affordable rent being charged for smaller one and two bedroom affordable rent tenancies, with family-sized housing being restricted to target rents so that it remains affordable for residents who would otherwise be affected by the benefit cap.

3.22. The next question is to consider the proportion of households unable to afford market housing that are able to afford intermediate affordable housing. There are a range of intermediate housing products for rent and for sale. These include discounted market rent, London Living Rent, shared ownership, discounted market sale, and Starter Homes. A detailed definition of these intermediate affordable housing products is provided in the Glossary.

3.23. On 29 November 2016 the GLA issued *Homes for Londoners*, the Affordable Homes Programme funding guidance for 2016-2021. Homes funded through the programme are expected to be one of three affordable housing products: London Affordable Rent, London Living Rent, and London Shared Ownership. The latter two are intermediate products and are considered further below.

3.24. Starter Homes, introduced by the Housing and Planning Act 2016, were not identified as an affordable housing product to be funded through the London Affordable Homes programme 2016-2021. However, the guidance did state the following:-

> *"The Housing and Planning Act 2016 introduces a requirement for Starter Homes, details of which will be set out in regulations. The Mayor will provide an update on how any Starter Homes requirement might affect the details of this planning guidance once the government's position has been made clear."*

3.25. Starter homes are unlikely to be affordable to anyone in Lambeth whose needs cannot be met through the second hand home ownership market or private renting.

3.26. Determining the cost of intermediate products is a complicated question. Appendix 1 shows various current and past costs. Intermediate affordable housing is targeted to households who earn below a maximum income threshold set by the GLA. The current threshold is £90k. At the highest levels therefore, intermediate housing is unlikely to meet the needs of anyone who cannot afford to access market housing.

3.27. The analysis below considers the two intermediate affordable housing products identified in the GLA's Affordable Homes Programme funding guidance for 2016-2021, London Shared Ownership and London Living Rent.

3.28. Shared ownership schemes allow occupiers to buy a proportion of their property (usually between 25% and 75% of the full price) and pay rent on the remainder. There are very few shared ownership homes advertised as available currently (June 2017) that can be accessed at less than the amount required to enter into the private rental market. Data from the GLA provides us with the median incomes of the 204 households that bought shared ownership homes over 2015-2016. There is relatively little difference between the median incomes of those purchasing through shared ownership, and the income required to access the lower quartile of the private rented market.

Bedsize	Median income of s/o purchasers in 2015/16 (GLA)	Income required to access lower quartile PRS (30%)	Income required to access lower quartile PRS (40%)
1	£45,000	£47,667	£35,750
2	£51,000	£57,983	£43,420
3	£70,617	£73,840	£55,380

3.29. The table below takes data from Table 17 – "New households eligible for affordable housing - % who require affordable housing" and then compares this to the number of households, who require affordable housing, who would be able to afford shared ownership (based on the median incomes of those who bought shared ownership properties in Lambeth in 2015/16 (income data provided by the GLA)).

	Properties needed per year	**% can't afford LQ PRS @30% income**	**% can't afford s/o**	**no. can't afford LQ PRS @30%**	**no. can't afford s/o based on median incomes**	**Difference**	**% aff need met by s/o**
1 Bed	856	72%	69%	616	588	28	4.6
2 Bed	940	82%	75%	771	708	63	8.2
3 Bed	429	90%	89%	386	382	4	1.0
TOTAL	3,198			1773	1678	95	5.4

	Min income house buy @ 3.5 times with 15% deposit	Proportion of households able to buy outright using Paycheck data 2017	Median incomes of shared ownership purchasers 2015-2016	Proportion of households able to access shared ownership using Paycheck data 2017
Bedsit	**Not available**			
1 Bed	**£63,893**	14.2%	£45,000	31.3%
2 Bed	**£93,219**	5.9%	£51,000	24.7%
3 Bed	**£173,677**	0.4%	£70,617	10.9%
4 Bed	**Not available**		/	

Table 22 - Comparing the affordability of outright purchase with shared ownership

3.30. There is a narrow gap between the incomes required to access shared ownership, and the income required to access the lower quartile of private rented housing when using 30% of gross household income. Based on the above analysis, shared ownership housing could meet just 5.4% of total housing need. If the threshold is moved to 40% it would only be outlier properties where shared ownership would be more affordable than private renting.

3.31. This relatively low figure of need for shared ownership is based on historic incomes of those accessing the products. If these costs were reduced it could meet a greater proportion of housing need.

3.32. The tables below consider the affordability of London Living Rent. London Living Rent is a new type of intermediate affordable housing in London that is intended to help, through low rents on time-limited tenancies, households with around average earnings save for a deposit to buy a home of their own. The GLA has calculated benchmark ward-based London Living Rent levels for London Living Rent homes based on one third of median gross household income for the local borough. In Lambeth the cap means household incomes within the approximate range £25,000 to £60,000 will be eligible for London Living Rent. It is worth noting that the GLA's income data is higher than the CACI figures used throughout this report.

3.33. London Living Rent has the potential to meet a much wider number of households who require affordable housing than shared ownership. For the purposes of the calculations below we have taken the median rent level for Lambeth which is Herne Hill ward. At 30% of household income, London Living Rent could meet 25% of affordable housing need and at 40% of household income it could meet 35% of affordable housing need.

	Properties needed per year	% can't afford LQ PRS @30% income	% can't afford LLR at 30% income	No. can't afford LQ PRS @30%	No. can't afford LLR @ 30% income	Difference	% Affordable need met by LLR
1 Bed	856	72%	55%	616	472	145	23%
2 Bed	940	82%	63%	771	590	180	23%
3 Bed	429	90%	66%	386	284	102	26%
TOTAL	3,198			1773	1346	427	24%

Table 23 - Affordable housing need that could be met by London Living Rent @30% income

	Properties needed per year	% can't afford LQ PRS @40% income	% can't afford LLR at 40% income	No. can't afford LQ PRS @40%	No. can't afford LLR @ 40% income	Difference	% Affordable need met by LLR
1 Bed	856	55%	37%	471	316	155	33%
2 Bed	940	66%	44%	620	409	212	34%
3 Bed	429	79%	49%	339	212	127	37%
TOTAL	3,198			1430	937	493	35%

Table 24 - Affordable Housing need that could be met by London Living Rent @40% income

3.34. A summary of the affordability of London Living Rents in Lambeth is provided below:-

	Monthly London Living Rent	London Living Rent is 30% of the following annual income	% of households who could afford at 30% income	London Living Rent is 40% of the following annual income	% of households who could afford at 40% income
1 bedroom highest ward-level rent (Oval)	£1,090	£43,600	32.7%	£32,700	50.6%
1 bedroom lowest ward-level rent (Streatham South/Knights Hill)	£727	£29,080	58.7%	£21,810	73.9%
1 bedroom median rent (Herne Hill)	£909	£36,360	44.90%	£27,270	63.1%
2 bedroom highest ward-level rent (Oval)	£1,211	£48,440	27.9%	£36,330	44.9%
2 bedroom lowest ward-level rent (Streatham South/Knights Hill)	£807	£32,280	52.5%	£24,210	69.7%

	Monthly London Living Rent	London Living Rent is 30% of the following annual income	% of households who could afford at 30% income	London Living Rent is 40% of the following annual income	% of households who could afford at 40% income
2 bed median (Herne Hill)	£1010	£40,400	38.2%	£30,300	56.5%
3 bedroom highest ward-level rent (Oval)	£1,332	£53,280	23.7%	£39,960	38.2%
3 bedroom lowest ward-level rent (Streatham South/Knights Hill)	£888	£35,520	44.9%	£26,640	63.1%
3 bed median (Herne Hill)	£1,111	£44,440	32.70%	£33,330	50.60%

Table 25 - London Living Rent - affordability analysis

3.35. Intermediate housing provides an additional housing option for a small number of households that would also be unable to access the cheaper parts of the private rented sector. It also provides an important option for households who would be unable to buy, particularly those lacking a deposit.

Overall Affordable Housing Need

3.36. The total need for affordable housing should be converted into annual flows by calculating the total net need (subtract supply from need) and converting total net need into an annual flow.

Need	@40%	@30%	Supply	@40%	@30%
Backlog need	321	339	Social re-lets	968	968
Newly arising household need	1,770	2,278	Intermediate relets	100	100
Existing Households falling into need (for definition see paragraph 3.17).	148	148	Net pipeline 2,479 (annualised), rent and low cost home ownership	136	136
TOTAL	2,239	2,763		1,192	1,192
Net annual requirement				1,047	1,573

Table 26 - Net annual need for affordable housing

3.37. It initially appears that very few people can afford to live in Lambeth. There are several reasons for this:- people who bought some time ago when prices were much lower; younger households receiving parental support (particularly students); the role played by housing benefit; households paying more than might be deemed affordable. Of this last group a number can be considered to be exercising choice, particularly younger households moving to London for the first time and prioritising living in Zone

2 over more disposable income. It is also worth remembering that the CACI data reports average household incomes which are 15% lower than the equivalent figures from the GLA due to difference in their methodologies and may be overstating the affordable housing requirement.

3.38. Finally, the model does not take account of newly forming households, who are already in social housing. This is particularly relevant for households requiring larger accommodation as their families expand – 50% of households with dependent children in Lambeth are in social housing. Newly forming households with children requiring affordable housing, who have their needs met, then free up smaller properties further down the chain. This is a complex process that is not possible to quantify through the available data, but means that the requirements for affordable housing, and smaller units in particular, will be overstated.

Summary of Chapter 3

3.39. This chapter considers the level of affordable housing need in Lambeth. For the purposes of the SHMA, a household is considered unable to afford market housing if they would either need to spend more than 3.5 times their gross household income to buy a property, or more than 30% or 40% of their income to rent a property. Home ownership costs more than renting, therefore it is entry to the private rented sector that is considered the ability to afford market housing.

3.40. Affordable housing need over the plan period comprises backlog need plus newly arising need. The calculations in this chapter show that, based on households spending 40% of their gross household income on rent, the need for affordable housing over the 20 year plan period is 1,047 net additional homes per year. If households spend 30% of their gross household income on rent, 1,573 affordable homes would be needed per year.

3.41. This chapter also considers the relative affordability of different types of intermediate affordable housing products to Lambeth residents. The analysis indicates that, because of the cost of shared ownership products, this type of housing could meet a very small proportion (5%) of total affordable housing need. The analysis shows that the London Living Rent intermediate housing product, introduced recently by the Mayor of London, has the potential to meet the needs of a higher proportion of households in Lambeth: 25% of affordable housing need based on households spending up to 30% of household income on rent, or 35% of housing need if up to 40% of income is spent on rent.

4. Household size and implications for dwelling mix

Affordable Housing

4.1. The annualised affordable housing supply by the number of bedrooms consists of the following:-

	1 bedroom	2 bedroom	3 bedroom	4 bedroom	Total
Social housing (existing) lettings	469	292	171	36	968
Intermediate Relets	41	53	6	-	100
Social and Affordable Rent pipeline	25	34	24	4	87
Intermediate Pipeline	16	19	2	-	37
Total	551	398	203	40	1192

Table 27 - Annualised affordable housing supply

4.2. Taking together the overall affordable housing shortfall per year by property size gives an indication of the required mix. If the affordability threshold is lowered it increases the proportion of households requiring 1 bedroom accommodation.

	Studio & 1 bed	2 bed	3 bed	4 bed	Total
Backlog	58	185	65	13	321
Newly arising	740	620	339	71	1770
Existing households falling into need	22	96	22	8	148
Total	820	901	426	92	2239
Supply	551	398	203	40	1192
Shortfall	269	503	223	52	1047
Proportion of shortfall (% of need not met).	25.7%	48.0%	21.3%	5.0%	100%

Table 28 - Affordable Housing Mix by shortfall and size (40% income)

	Studio and 1 bed	2 bed	3 bed	4 bed	Total
Backlog	66	195	65	13	339
Newly arising	1046	771	386	75	2278
Existing households falling into need	22	96	22	8	148
Total	1134	1062	473	96	2765
Supply	551	398	203	40	1192
Shortfall	583	664	270	56	1573
Proportion of shortfall (% of need not met)	37.1%	42.2%	17.2%	3.6%	100%

Table 29 - Affordable Housing Mix by shortfall and size (30% income)

4.3. An analysis of the Lambeth housing waiting list (April 2017), based on priority groups as identified in Lambeth's Allocation Policy, provides an alternative assessment of demand for different sized properties. The table below shows the number waiting in high priority bands A-C1 (excluding transfer cases and under occupiers) and proportion of that need that can be notionally met by the number of available lettings each year.

Size	Number high priority	Supply (non transfers) April 2017	% not met
1 bed	768	469	38.1%
2 bed	2,183	292	86.7%
3 bed	659	171	74.1%
4 bed	201	36	82.1%

Table 30 - Affordable Housing Supply compared to high priority demand

4.4. The highest proportion of need not met, and highest number required, is for 2 bed units. This reflects a large number of newly formed households generally requiring accommodation for a lone parent and young child.

Property size in which an overcrowded household is currently living	Number of homes which could potentially be freed up through transfer if an overcrowded household moves to larger accommodation	Number of homes required within each property size by overcrowded households	Difference – need for net voids.
1 bedroom	580	-	+580
2 bedroom	719	490	+178
3 bedroom	92	664	-615
4+ bedroom	5	140	-143
Total	1,294	1,294	0 + 758 1 & 2 bed - 758 3 & 4 bed

Table 31 - Overcrowding on the Housing Register April 2017 – Local authority tenants

4.5. Table 31 shows the effects of "chains" of lettings in the social rented sector. Analysis of the housing register in April 2017 shows that a total of 580 one bedroom homes and 178 two bedroom homes within the existing housing stock could be freed up for reletting if overcrowded households were able to move into the additional 615 three bedroom homes and 143 four+ bedroom homes which are required. This has the effect of reducing the proportion of smaller properties, particularly one beds, which are required.

	1 bed	2 bed	3 bed	4 bed	Total
Shortfall	269	503	223	52	1047
Overcrowding adjustment Annualised over 20 years	(-29) 240	(-9) 494	(+31) 254	(+7) 59	1047
Proportion of shortfall (% of need not met).	23%	47%	24%	6%	100%

Table 32 - Affordable housing size requirements @ 40% with overcrowding considered

	1 bed	2 bed	3 bed	4 bed	Total
Shortfall	583	664	270	56	1573
Overcrowding adjustment Annualised over 20 years	(-29) 554	(-9) 655	(+31) 301	(+7) 63	1573
Proportion of shortfall (% of need not met)	35%	42%	19%	4%	100%

Table 33 - Affordable housing size requirements @ 30% with overcrowding considered

4.6. PPG paragraph 028 explains that plan makers should look at the house size in the current stock and assess whether these match current and future needs. Looking at current social housing stock in Lambeth we can see that this closely reflects the assessment of need.

Size	Proportion of stock
1 bed	34%
2 bed	36%
3 bed	24%
4 bed	7%

Table 34 - Bed sizes of social housing stock in Lambeth (Census 2011)

Market Housing

4.7. The size requirements for market housing, based on the formation of new households headed by a person under the age of 45 is considered below. For two of the categories, 'Other Households' and 'Couple + other adults' there is not readily available information on household size and as such certain assumptions have been made. These are detailed in the Appendices.

Household type	Number of beds required	Number of households	Minus those eligible for affordable @ 40% income	Total	Total non-affordable need by bed size	% of market housing needed
Single people	Studio/1	896	269	627	Studio/one bed: 1012	35.0%
Couples	1	856	471	385		

Couple + other adult(s), no children	2	189	0	189	Two bedrooms: 1229	42.5%
1 child or 2 children sharing a bedroom	2	940	620	320		
Other households	2	720	0	720		
2 children requiring separate bedrooms or 3/4 children able to share	3	429	339	90	Three bedrooms: 461	15.9%
Couple + other adult(s), no children	3	36	0	36		
Other households	3	335	0	335		
More than 3 children	4	77	71	6	Four bedrooms: 143	5.0%
Other households	4	137	0	137		
Other households	5+	50	0	50	Five beds: 50	1.7%
Total		4665	1770	2895		

Table 35 - Private Sector size requirements at 40% income

Household type	Number of beds required	Number of households	Minus those eligible for affordable @ 30% income	Total	Total non-affordable need by bed size	% of market housing needed
Single people	Studio/1	896	430	466	Studio/one bed: 706	29.6%
Couples	1	856	616	240		
Couple + other adult(s), no children	2	189	0	189	Two bedrooms: 1078	45.2%
1 child or 2 children sharing a bedroom	2	940	771	169		
Other households	2	720	0	720		
2 children requiring separate bedrooms or 3/4 children able to share	3	429	386	43	Three bedrooms: 414	17.3%
Couple + other adult(s), no children	3	36	0	36		
Other households	3	335	0	335		
More than 3 children	4	77	75	2	Four bedrooms:	5.8%

Other households	4	137	0	137	139	
Other households	5+	50	0	50	Five beds: 50	2.1%
Total		4665	2278	2387		

Table 36 - Private Sector size requirements @30% of income

4.8. These figures presume that households do not have any spare rooms. Social housing is allocated according to the number of bedrooms that households 'need'. In the private sector many people choose to live in larger dwellings – two thirds of owner occupiers have at least one 'spare' bedroom, although it is notable that this drops to a quarter of people renting privately, and private rent will represent the majority of growth in market housing. In any event it is reasonable to presume that a degree of under occupation will continue in market housing and that the figures in the tables above overstate the need for small accommodation.

Summary of Chapter 4

4.9. This chapter translates the overall affordable housing need calculated in Chapter 3, into the likely required size mix for new affordable homes.

4.10. Based on the analysis of need and supply, with adjustments made to take account of the likely effects of overcrowded households moving to larger accommodation, the SHMA indicates a need for affordable housing as follows:

	1 bed	2 bed	3 bed	4 bed
@30% of income	35%	42%	19%	4%
@40% of income	23%	47%	24%	6%

4.11. It is important to note that these figures are in absolute terms and do not take account of Lambeth's local priorities or any other factors, such as relative need.

4.12. Based on the analysis of projected household growth, the SHMA also indicates a need for market housing, as follows (without any adjustment made for under occupation):

	1 bed	2 bed	3 bed	4 bed
@30% of income	30%	45%	17%	8%
@40% of income	35%	43%	16%	6%

5. Housing needs of specific groups

5.1. The NPPF requires local planning authorities to plan for a mix of housing, which takes account of the needs of different groups in the community. This section considers the housing requirements of specific groups whose housing needs might differ from the majority of the population in Lambeth. The following different types of housing and key groups have been identified:

- The private rented sector
- Older people
- Accessible homes
- Supported housing
- Families (households with children)
- Students
- Service families
- Gypsies and Travellers
- People wishing to build their own home (self-build and custom house building)

The private rented sector

5.2. The private rented sector (PRS) makes up one third of all households in the borough; at the Census 2011 there were 38,133 households in PRS housing. Between 2001 and 2011 the proportion of households in the PRS increased from 20% to 29%. GLA data estimates that Lambeth's PRS stock had reached 31% of the total housing stock by December 2014 (GLA datastore 2014). Judging by the previous rate of growth of the sector, and the fact the market conditions have not changed significantly, it can be estimated that the PRS is likely to have reached 33% of housing stock by 2017, the same percentage as the owner-occupied sector (both owned outright and owned with a mortgage). This translates into an estimated 46,500 homes.

5.3. Geographically, PRS and owner-occupied housing is more concentrated in the western (around Clapham) and southern wards, and social rented housing is more concentrated in northern and central wards. The proportion of PRS households varies from 44.7% in St Leonard's ward in the south of the borough, to 20.4% in Prince's ward in the north of the borough.

Ward	Number of homes for private rent	Percentage of housing stock
St Leonard's	2,766	44.7%
Streatham Wells	2,196	35.0%
Oval	2,431	34.7%
Ferndale	2,248	34.2%
Bishop's	1,549	33.9%
Clapham Town	2,093	33.8%

Ward	Number of homes for private rent	Percentage of housing stock
Clapham Common	1,754	32.4%
Streatham Hill	1,961	32,1%
Brixton Hill	2,167	31.9%
Larkhall	2,174	30.3%
Thurlow Park	1,718	29.3%
Streatham South	1,540	28.8%
Herne Hill	1,780	27.4%
Stockwell	1,756	27.3%
Tulse Hill	1,644	24.8%
Knight’s Hill	1,504	24.8%
Gipsy Hill	1,435	24.1%
Vassall	1,334	22.0%
Coldharbour	1,536	21.5%
Thornton	1,071	21.2%
Prince’s	1,371	20.4%

Table 37 - Proportion of private rented sector properties by ward, Census 2011

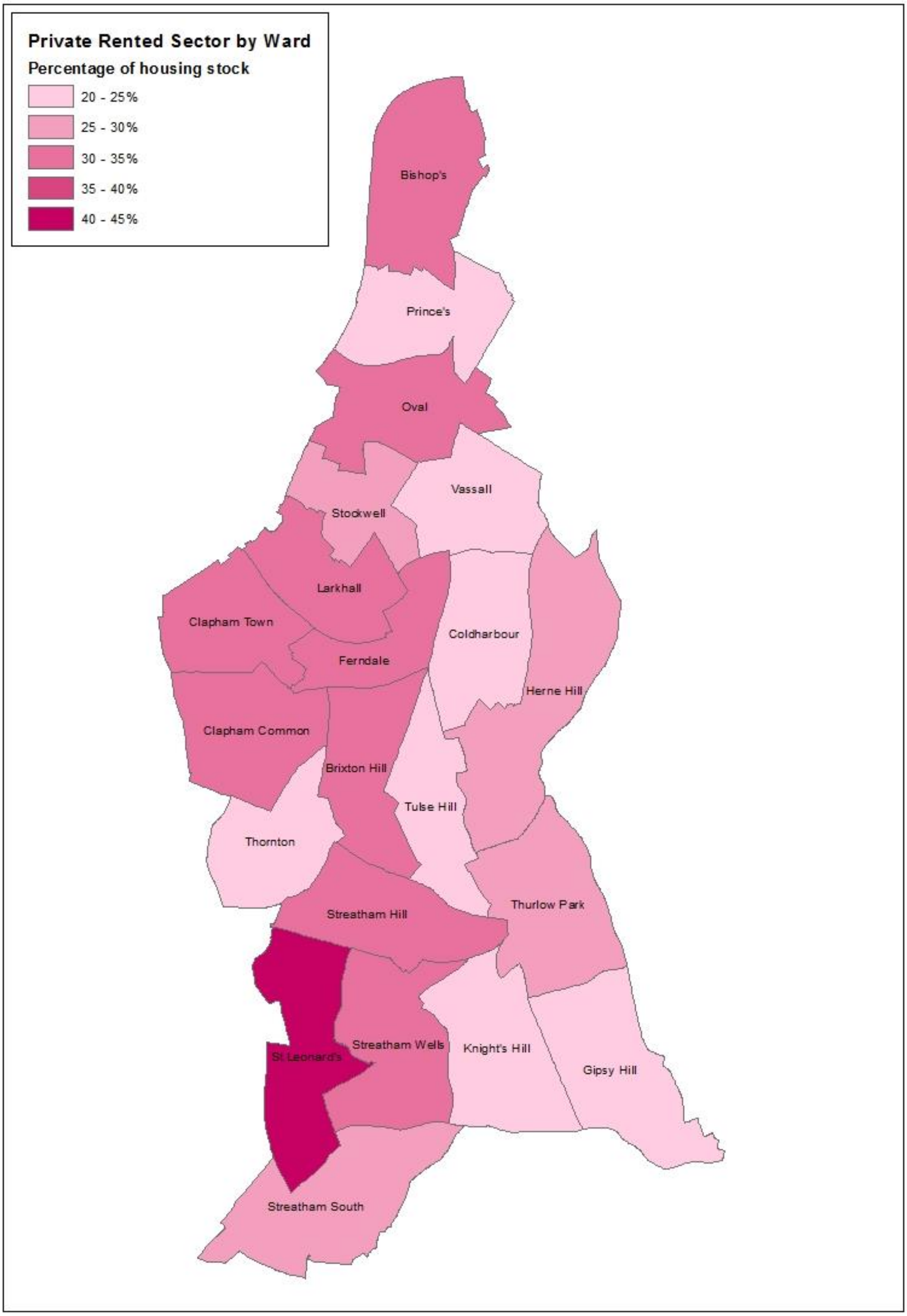


Figure 24 - Proportion of PRS housing stock, by ward, based on Census data 2011, London Borough of Lambeth 2017

5.4. Multi-person households make up the largest proportion of households in the PRS in Lambeth (30%; 2% of which are student only households), followed by one person households (26%), and couples without dependent children (25%). A smaller proportion of households contain dependent children: couples with children (10%) and lone parent households (8%). 62% of households in the PRS consist of either one or two person households. In 2011 almost 60% of those living in the PRS were aged under 35; with 49% of private renters aged between 25 and 34. A further 30% of people in the PRS are aged 35 to 49.

5.5. Like house prices in the borough, private rents in Lambeth have risen since 2011 (see section 2). In January 2017, lower quartile private rents in Lambeth were £1,192 per calendar month (pcm) for a 1-bed dwelling, £1,447 pcm for a 2-bed dwelling and £1,846 pcm for a 3-bed dwelling (source: London Rents Map). Lower quartile rents are comparable to those recorded for Inner London, while upper quartile and median monthly rents are lower.

5.6. The median household income in Lambeth is £33,280 and the mean household income is £39,986 (CACI data June 2017). Average household income is 1.8 times higher than average annualised rent (£18,600). In other words, average rents in Lambeth equate to 56% of average household income. This illustrates how unaffordable the PRS is for a significant proportion of the resident population.

5.7. This is further illustrated by the number of partial Local Housing Allowance (LHA) claimants in Lambeth, who are in employment but with an income which is not sufficient to meet the total cost of their rent. It is notable that approximately 22% of partial LHA claimants earned at or above the median household income in Lambeth, yet still needed to claim LHA to meet the cost of their rent in the PRS.

5.8. The PRS, supported by LHA, serves some important housing functions in Lambeth. Research carried out into LHA claimant households in Lambeth in March 2016 identified the following:

- There were 7,019 households in Lambeth claiming LHA in March 2016. This represents approximately 23% of Lambeth's PRS households.
- Approximately 46% of these households claim partial LHA, so are likely to be employed but in receipt of an income at or below the borough's household income average.
- Heads of households claiming partial LHA are likely to be younger, with 61.1% aged under 45.
- A significant number of households claiming partial LHA contain children. 28.9% of these households consisted of a couple with a child or children, and

32.5% of these households consisted of a single person with a child or children.

- The Census 2011 recorded that 33.3% of privately rented homes in Lambeth had one bedroom. The PRS supported by LHA plays an important role in accommodating households without children who might have low priority for social housing. A total of 71.7% full LHA claimants consisted of single people or couples, and 53.3% of these households were aged over 45.

5.9. The PRS plays an important role both in Lambeth and across London providing housing, particularly for young and single people, who cannot afford to buy. It also serves an important housing function to people who would be unable to access social housing but can afford private rented accommodation with LHA support. It is the only tenure to have experienced relative growth in recent years and, based on past trends, is likely to expand even further. The 'build to rent' development sector (long-term, purpose-built, private rented housing), has experienced significant growth in recent years. According to British Property Federation data, the number of build to rent homes with planning permission more than doubled in London over the year to September 2016, and across the UK almost trebled over the same period. The government and the Mayor of London are both supportive of this type of development in principle, and further growth of this sector is considered likely.

Houses in Multiple Occupation

5.10. Houses in Multiple Occupation (HMOs) play a vital role within the PRS, providing affordable housing to a wide range of households including young people, students, low and middle income households as well as new migrants moving to the borough. HMOs also contribute in supporting labour market flexibility (especially for new entrants), and can reduce pressure on publicly provided affordable housing.

5.11. HMOs predominantly take two forms: Single people who know each other and collectively decided to get together to rent a property and; HMOs in which rooms are let individually by a landlord and residents have very little connection with each other.

5.12. On 1 April 2017 there were estimated to be 1,200 mandatory licensable HMOs in Lambeth and an estimated 1,900 in total, mostly concentrated in the southern wards of the borough. Lambeth's Environmental Health Officers work most closely with HMO landlords in the central wards of Ferndale and Brixton Hill and the southern wards of St Leonard's, Streatham South, Streatham Hill and Knight's Hill.

5.13. In Lambeth, HMOs are an important source of housing for single person households within the PRS. Trends in new household formation indicate that growth in 'other' households (of which a significant component is shared accommodation) will continue.

Older people

5.14. Planning Practice Guidance emphasises that the need to provide housing for older people is critical, given the projected increase in the number of households aged 65 and over. Local authorities are advised to consider the age profile of the population, drawn from Census data and population and household projections by age group. The future need for specialist accommodation for older people, broken down by tenure and type, should be assessed and can be obtained from online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2) as well as identifying particular types of general housing for older people who may not want or need specialist accommodation or care.

5.15. The NPPF defines older people as: **"**People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs."

5.16. At the time of the 2011 Census there were 23,187 people, 16,305 households, in Lambeth aged 65 or over.

5.17. According to the GLA's population projections[5] the number of people aged over 65 in Lambeth is projected to increase by 63% over the next 20 years, from 25,738 in 2016 to 41,861 in 2036. Over this period the 70-74 age group, which sees the highest projected growth, is expected to increase by 90%.

Population projections	Total 65-69	Total 70-74	Total 75-79	Total 80-84	Total 85+	Total population 65+
2016	8,225	5,733	4,930	3,492	3,358	25,738
2036	12,548	10,912	7,725	5,175	5,501	41,861
Increase (2016 2036	4,323	5,179	2,795	1,683	2,143	16,123
Percentage increase (2016-2036)	52.6%	90.3%	56.7%	48.2%	63.8%	62.6%

Figure 25 - GLA 2016 population projections (Trend projections, long-term migration scenario), number of people over 65

5.18. The number of households headed by an older person is similarly projected to grow, from 19,461 households in 2016 to 32,790 in 2036 an increase of 69%. The largest increase is again in the 70-74 age bracket (+107%)[6].

[5] GLA 2016 Round Trend-based, Long-Term Migration Scenario Population Projections (June 2017)), London Datastore

[6] Note: Institutional population not living in households (e.g. living in a care home) is additional to the number of households and is not taken into account in these projections.

Household projections	Total 65-69	Total 70-74	Total 75-79	Total 80-84	Total 85+	Total households 65+
2016	6,138	4,189	3,758	2,806	2,571	19,461
2036	9,988	8,612	5,857	4,151	4,183	32,790
Increase (2016-2036)	3,850	4,423	2,099	1,345	1,612	13,329
Percentage increase (2016-2036)	62.7%	106.6%	55.9%	47.9%	62.7%	68.5%

Table 38 - GLA 2016 household projections (Trend projections, long-term migration scenario), over 65

5.19. At the time of the 2011 Census there were 929 people aged 65 and over living in communal establishments (4% of the total number of over 65's in Lambeth). GLA household projections indicate that the number of older institutional households will grow by nearly 50% between 2016 and 2036, although this growth is limited to the over 75 age category[7]. The projections assume that the communal establishment population in each age group will remain constant at 2011 estimated numbers with the exception of those groups aged 75 and over, for whom it is assumed that a constant proportion of the population will reside in a communal establishment. This group is likely to have a higher level of need for housing with care and/or support.

Institutional population projections	Total 65-69	Total 70-74	Total 75-79	Total 80-84	Total 85+	Total households 65+
2016	117	99	158	187	445	1,009
2036	117	99	287	292	711	1,505
Increase (2016-2036)	0	0	6129	105	268	496
Percentage increase (2016-2036)	0%	0%	81.6%	56.1%	60.2%	49.2%

Table 39 - GLA 2016 household projections (Trend projections, long-term migration scenario), institutional population over 65

5.20. Data from the 2011 Census shows that Lambeth has a relatively low rate of home ownership amongst the over 65's, and a correspondingly high proportion of older people in socially rented housing. 41% of over 65 households in Lambeth are owner-occupiers, 51% rent from the council or a registered housing provider and 8% rent privately. This compares with 65% owner-occupier, 27% social / affordable renters and 8% private renters in London. Across all ages home ownership in Lambeth is low compared to London, at 33% and 48% respectively, and the number of owner-occupiers over 65 is therefore not disproportionate. The analysis does illustrate

[7] 2016 Round of Demographic Projections, Household projections, Long-term Trend-based population scenario, Stage One projections

however that Lambeth has a significantly higher proportion of older people in social rented accommodation than both London and England.

	Lambeth		London		England	
	Value	%	Value	%	Value	%
All categories: Tenure	16,305		607,066		5,721,724	
Owned	6,615	40.6%	391,338	64.5%	4,239,177	74.1%
Shared ownership (part owned and part rented)	71	0.4%	2,864	0.5%	27,489	0.5%
Rented from council (Local Authority)	5,016	30.8%	100,747	16.6%	585,397	10.2%
Other social rented	3,213	19.7%	65,590	10.8%	499,063	8.7%
Private rented	1,187	7.3%	36,604	6.0%	252,553	4.4%
Living rent free	203	1.2%	9,923	1.6%	118,045	2.1%

Table 40 - Census 2011 Table population: All households where the Household Reference Person is aged 65 and over (households)

5.21. There is currently little specialist accommodation for sale or lease in the borough; the majority of older owner occupiers and those renting in the private sector will therefore be in general needs housing. Analysis has shown that many older owner occupiers are likely to be under-occupying their homes. Suitable alternative provision would need to be available for these households to downsize or move into specialist accommodation should they wish to. In June 2017 overall specialist provision for older people in Lambeth consisted of 809 places in residential care and 2,613 units of self-contained accommodation. A list of the schemes is in Appendix 4 and a list of the definitions of Older Persons' accommodation is included in Appendix 5. Existing specialist housing targets, set out in the Lambeth Older People's Housing Strategy 2012, were derived using a prediction model from the Older Persons Housing Toolkit published by the Housing Learning and Improvement Network (LIN) in 2010. The model forecast a borough-wide requirement of 1,710 units of traditional sheltered housing for rent, together with 642 units of extra care housing by 2031 (428 for rent and 214 leasehold); a total of 2,332 units.

5.22. In June 2015 the council commissioned the Elderly Accommodation Council (EAC) Consultancy to carry out research to estimate the impact of projected growth in the older population on specialist housing requirements. This research was undertaken using SHOP@ (Strategic Housing for Older People), a forecasting tool developed by the Housing Learning and Improvement Network (LIN) and the EAC. SHOP@ uses nationally available datasets (including ONS Census population projections, the EAC housing and care service database, the More Choice Greater Voice report and Index of Multiple Deprivation) to estimate the growth in the population of older people and applies a "prevalence rate" (i.e. the number of people aged 75 and over who are likely to require a particular type of specialist accommodation), and compares this to current and future (pipeline) provision. In summary, the forecasting tool:

- Considers the current number of older people in the borough and the forecast growth to 2035 (population)
- Estimates how many of these older people will need specialist supported accommodation based on locally set Prevalence Rates (140 units/000 for sheltered and 33 units/000 for extra care)
- Records the current and planned provision in Lambeth – taking into account the borough's current plans for new extra care accommodation and the closure of sheltered accommodation
- Deducts the estimated requirement from the planned provision to calculate either a surplus or shortfall over given time periods

5.23. The research estimated requirements for sheltered and extra care accommodation for 2015, 2025 and 2035 as follows:

Planned provision		2015		2025		2035	
Rent	Lease	Estimate required	Deficit or (surplus)	Estimate required	Deficit or (surplus)	Estimate required	Deficit or (surplus)
Borough-wide sheltered housing forecast requirement							
1,578	74	1,565	(87)	1,858	206	2,502	849
Borough-wide extra care forecast requirement							
500	71	369	(202)	438	133	590	19

Table 41 - Sheltered housing and extra care forecast requirement

5.24. A revised borough-wide forecast, which takes account of extra care schemes in the development pipeline as well as decommissioning plans for sheltered accommodation, indicates a surplus of 202 units of extra care and 230 units of sheltered accommodation by 2018. By 2025 the extra care surplus is estimated to reduce to 133 and a shortfall of 63 units is predicted for sheltered housing. By 2035 the shortfall is forecast to be 19 and 706 respectively.

5.25. In addition to forecasting a borough-wide requirement, the model was applied on an area basis to Lambeth's six town centre localities of North Lambeth, Stockwell, Brixton, Clapham, West Norwood and Streatham. This will enable more localised strategies and commissioning.

5.26. The model looked specifically at people aged 75 and over. This age group is of particular interest when considering demand for older person's housing, as this group is the most likely to require specialist accommodation. However it is acknowledged that some older persons housing is occupied by households aged less than 75 – the minimum age for access to older persons housing is typically aged 55 and over.

5.27. This research will inform a review of current commissioning plans and research and consultation into requirements for other tenures in Lambeth.

5.28. At the London level, a report produced by Three Dragons and Celandine Strategic Housing (March 2014) for the GLA ('Assessing Potential Demand for Older Persons Housing in London') analysed 2011 Census data and applied a number of modelling assumptions to derive figures for potential demand for additional retirement housing by borough during the period to 2025. This was then compared with EAC data on current supply to set out target annual retirement provision by tenure by borough. These figures are set out in Table A5.1 'indicative annualised strategic benchmarks to inform local targets and performance indicators for specialist housing for older people 2015-2025' in the London Plan March 2015. The indicative benchmark figures for Lambeth are set out below:

	Private sale	Intermediate sale	Affordable rent	Total
Lambeth	55	15	5	75
London	2,620	955	325	3,900

Table 42 - Indicative annualised strategic benchmarks to inform local targets and performance indicators for specialist housing for older people 2015-2025, London Plan (March 2015)

5.31 These benchmark figures are likely to be updated through the full review of the London Plan currently underway.

5.32 Consideration of the housing requirements of older people is interrelated to the analysis of accessible and supported housing below.

Accessible and adapted homes

5.29. At a borough level, data on the number of households which have a wheelchair user is limited. The Census 2011 provides some insight into the number of people affected by disability, but does not collect data specifically linked to mobility-related disability or the need for wheelchair accommodation.

5.30. The table below shows the percentage of people living in Lambeth who have identified themselves as being affected by a long-term health problem or disability which limits their day-to-day activity. 13% of Lambeth residents are affected by a long-term problem or disability, which is in line with the London average (14%).

	Lambeth	%	London	%
All usual residents	303,086		8,173,941	
Day-to-day activities limited a lot by a long-term health problem or disability	18,618	6%	551,664	7%
Day-to-day activities limited a little by a long-term health problem or disability	20,053	7%	605,501	7%
Day-to-day activities not limited	264,415	87%	7,016,776	86%

Table 43 - Residents affected by a long-term health problem or disability, Census 2011

5.31. 59% of people who are affected by a long-term health problem or disability live in social rented housing in Lambeth. This is a notably higher proportion than across London.

	Lambeth		London	
Owned or shared ownership: Total	10,117	27%	526,965	47%
Rented: Social rented	21,720	59%	429,591	39%
Rented: Private rented or living rent free	5,125	14%	158,746	14%

Table 44 - Tenure composition, residents affected by a long-term health problem or disability, Census 2011

5.32. There are estimated to be around 400 households in market housing in Lambeth who need to move to social rented housing due to a household member's disability or medical issue. However this figure excludes those households who are already in social housing or who are not on a waiting list.

5.33. The council assesses applicants' requirements with reference to three levels of mobility need – category 1 – 3 (see table 47 below). Wheelchair housing is housing specially designed for people confined to wheelchairs and includes space for a wheelchair to manoeuvre. Mobility or adapted housing is general purpose housing with no extra space, but built to be more convenient for people with mobility problems, or with aids and adaptations to help someone with a disability live there.

Category of mobility need	Number of applicants (excluding existing council tenants)
CAT 1 – Wheelchair property required	39
CAT 2 – Mobility or adapted property required.	54
CAT 3 –Level access Ground Floor accommodation required	486

Table 45 - Number of applicants on Lambeth's housing waiting list in each category of mobility need April 2017 (excluding existing council tenants needing a transfer)

5.34. The analysis in this section is very strongly linked with the above analysis of the housing requirements of older people. The table below shows that 56% of residents over the age of 65 are affected by a long-term health problem or disability.

	% of residents in each age group affected by a long-term health problem or disability	
	Lambeth	London
All categories: Age	12%	14%
Age 0 to 15	4%	3%
Age 16 to 49	7%	7%
Age 50 to 64	27%	24%
Age 65 and over	56%	52%

Table 46 - Age of residents affected by a long-term health problem or disability, Census 2011

5.35. The English Housing Survey (2011/12) identifies that 9% of Londoners over the age of 65 use a wheelchair, and that around 6% of all older person households in London include a wheelchair user – 33,000 households[8]. For the majority of older people, remaining in their own home is their preferred choice[9].

5.36. The CLG guide to available disability data[10] shows that currently around one in 30 households in England (3.3%) have at least one wheelchair user, although the rate is notably higher for households living in social housing (7.1%). These proportions are likely to increase over the period to 2035 in the context of the projected increase in the number of older people.

Residential care, nursing care and supported housing

5.37. Census data identifies that there were 1,659 people living in communal medical and care establishments in Lambeth in 2011. Of these, 300 people were living in hostels or temporary shelters for the homeless and 83 people were living in a home or hostel operated by the council. A total of 67 people were living in a mental health hospital or unit in Lambeth.

5.38. Table 49 below details the numbers of people receiving accommodation-based support in Lambeth in 2016.

Type of service	Older people	Physical disabilities	Learning disabilities	Mental health	Other vulnerable people
Residential Care block in-borough	37	3	16	4	0
Residential Care block out-borough	27	0	0	0	0
Residential Care spot in-borough	60	3	28	21	0
Residential Care spot out-borough	114	33	160	41	1
Nursing Care block in-borough	99	1	0	0	0
Nursing Care block out-borough	30	0	0	0	0
Nursing Care spot in-borough	60	17	0	4	1
Nursing Care spot out-borough	51	11	7	9	0
Extra Care	130	30	11	6	0
Supported Housing	8	0	4	74	0
Total	616	98	226	159	2

Table 47 - People receiving accommodation based support in Lambeth, Draft Market Position Statement for Adult Social Care in Lambeth

5.39. The table below indicates the number of people placed in long-term residential and nursing homes in the period 2010/11 to 2015/16. The total number of placements has

[8] Note from the Mayor on post-EiP action points 4, 5, 6, 8, 11 and 12, October 2015, para. 13.
[9] Lifetime Homes, Lifetime Neighbourhoods A National Strategy for Housing in an Ageing Society, DCLG DoH DWP DWP 2008
[10] Guide to available disability data, March 2015, Department for Communities and Local Government

reduced year on year from 1,279 to 1,002 over this period and in particular for older people and learning disability residential care and nursing care. The exception is older people with dementia requiring nursing care, where demand has increased and is expected to increase further given rising numbers of people with dementia.

Permanent Placements	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Learning Disability Nursing	17	17	20	14	17	12
Learning Disability Residential	304	277	269	255	242	239
Mental Health Nursing	11	17	14	16	14	12
Mental Health Residential	19	20	16	12	11	10
Older Person's Nursing EMI	147	135	132	169	164	199
Older Person's Nursing	270	135	132	169	164	168
Older Person's Residential EMI	214	215	210	201	189	199
Older Person's Residential	187	191	154	125	94	79
Physical Disability Nursing	60	47	48	52	54	51
Physical Disability Residential EMI				2	5	2
Physical Disability Residential	50	47	48	52	48	51

Table 48 - People placed in long-term residential and nursing homes 2010/11-2015/16, Draft Market Position Statement for Adult Social Care in Lambeth

5.40. Fewer adults with learning disabilities live in their own home or with families in Lambeth when compared with the London average (63.8% in Lambeth, compared to 69.6% in London). However, this is an increase from 58.7% in 2012/13. The council is continuing to support and encourage this upward trend.

5.41. Demographic trends are expected to lead to growth in the population and number of households with disabilities over the period to 2036. Housing support services will need to be adequately resourced to take account of this.

Vulnerable young people

5.42. The Council has developed a Young People's Pathway Team (YPPT) responsible for assisting young people aged 16-21 who are homeless or at risk of homelessness in Lambeth. The team is based within Housing Services. The YPPT has been in operation since May 2017. It is an integrated team staffed jointly by Housing Advisors and social workers, and acts as a single gateway to supported accommodation for young people in Lambeth.

5.43. Lambeth Council currently provides two separate accommodation and support offers for young people aged 16 to 21 which are commissioned and delivered separately. Semi-independent living is offered to young people aged 16 and 17 who meet social care eligibility criteria and for whom the local authority has a duty to provide accommodation under Section 20 of the Children Act 1989. This accommodation is purchased as required and delivered by a range of service providers with varying degrees of support to meet assessed needs. In November 2015 there were approximately 145 young people living in this type of accommodation, although this number has now fallen below 100.

5.44. Housing provision is also offered to young people aged between 16 and 21 who are considered vulnerable due to being homeless or at risk of becoming homeless in accordance with Part 7 of the Housing Act 1996. This accommodation is managed by block contracts with four supported housing providers. In June 2017 the total number of young people housed through this provision was 219.

Families (households with children)

5.45. For the purposes of this assessment families have been defined as any household which contains at least one dependent child. In 2011 there were 34,847 families in Lambeth, accounting for 27% of households (ONS Census 2011). This is a lower proportion than across London as a whole (31%). When compared with London, the proportion of married couples with children in Lambeth is notably lower: 10% compared to 15% across London. Other household type categories do not show any particular deviations from the regional average.

	Number (households)
All families in households	70,374
No dependent children in family	35,654
One dependent child in family aged 0 to 4	7,425
One dependent child in family aged 5 to 11	4,576
One dependent child in family aged 12 to 18	5,794
Two dependent children in family; youngest aged 0 to 4	5,160
Two dependent children in family; youngest aged 5 to 11	3,928
Two dependent children in family; youngest aged 12 to 18	1,846
Three or more dependent children in family; youngest aged 0 to 4	3,516

Three or more dependent children in family; youngest aged 5 to 11	2,169
Three or more dependent children in family; youngest aged 12 to 18	306
Total dependent children	61,544 (persons)

Table 49 - Household composition, Census 2011

	Lambeth		London	
	Number	%	Number	%
Married couple	12,378	10%	489,586	15%
Same-sex civil partnership couple	24	0%	454	0%
Cohabitating couple	3,582	3%	91,774	3%
Lone parent	13,559	10%	278,986	9%
Other households	5,304	4%	149,043	5%
Total households with dependent children	34,847	27%	1,009,843	31%
Households with no dependent children	95,170	73%	2,256,330	69%
Total households	130,017	100%	3,266,173	100%

Table 50 - Household type, Census 2011

5.46. Demographic projections[11] suggest that the number of households with dependent children is expected to increase by 12.7% from 2016 to 2036 (an increase of around 234 households per annum). Total households are projected to increase by 20.2% over the same period. As a proportion of total households, the number of households with children is projected to reduce over this period - from 26% in 2016 to 24% in2036. In London, the family share of the total number of households is similarly projected to reduce slightly, from 30% in 2016 to 28% in 2036.

5.47. The projections suggest that there will be an increase of 19.2% in the number of households with one child in Lambeth between 2016 and 2036, an 8.1% increase in households with two children, and an increase of 2.8% in households with three or more children.

[11] GLA 2016 round trend-based household projections, trend projections, long-term migration scenario

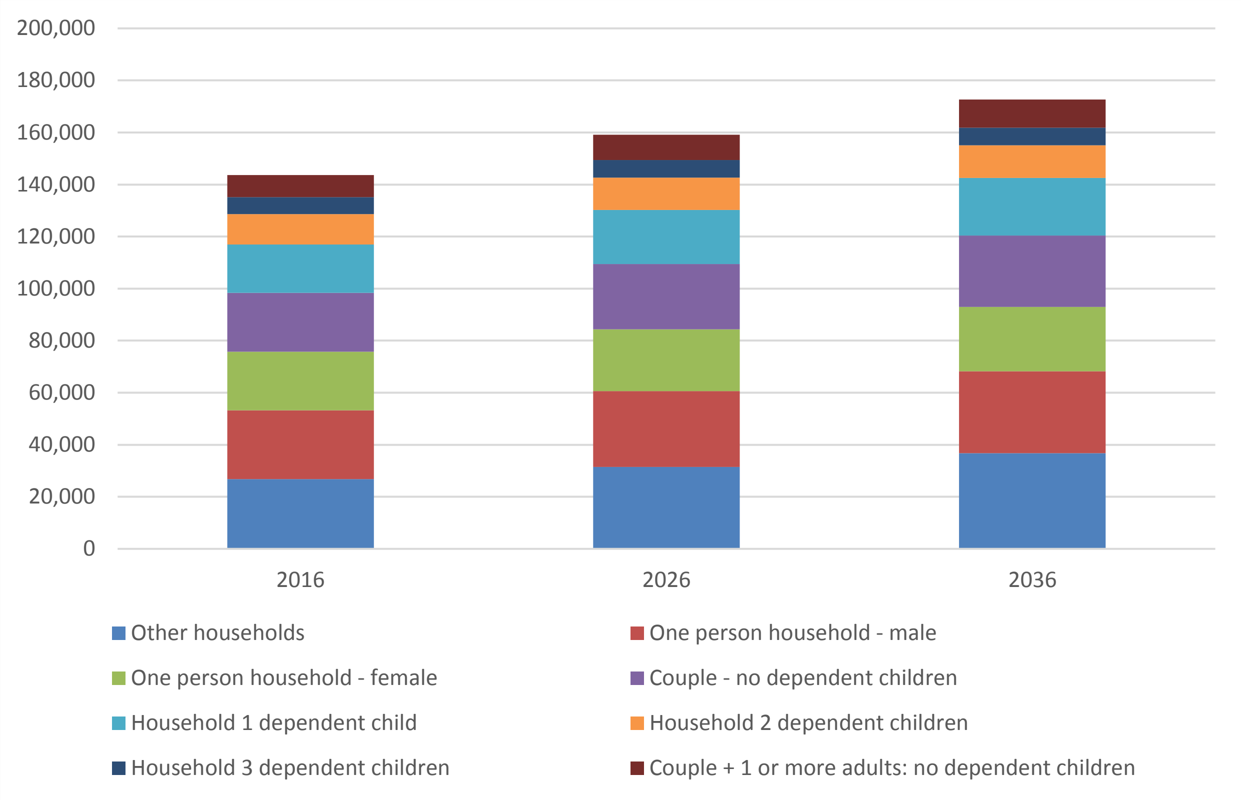


Figure 26 - Projected household change 2016-2036, GLA 2016 round trend-based household projections, trend projections, long-term migration scenario

5.48. Lambeth has a notably higher proportion of dependent children living in social rented housing (51%) than in London (31%) and a correspondingly lower proportion of children in owner-occupied housing – 29% (45% in London). 20% of children in Lambeth are housed in the private rented sector, compared with 24% across London.

5.49. Analysis also indicates that young families are more likely to be found homeless than other categories.

Household type	Total number	Total %
Emergency homelessness	1	0.2%
Household with 1 child	176	34.1%
Households with 2 children	119	23.1%
Households with 3 or more children	77	14.9%
Household – pregnant, no other children	50	9.7%
16 or 17 year old	-	-
18 to 20 year olds	-	-
Priority need – Old Age	7	1.4%
Priority need – Physical Disability	42	8.1%
Priority need – Mental health needs	37	7.2%
Priority need – Other	7	1.4%
Total	516	100%

Table 51 - Households accepted for assistance under homelessness legislation between April 2016 and March 2017 (Source:- P1E statistics, April 2016-March 2017)

Students

5.50. There are two known providers of higher education in Lambeth. King's College London is a higher education institution funded by the Higher Education Funding Council for England. There were 27,645 students studying at King's College London in 2013/14[12], across five campuses. Two of these campuses are located wholly in Lambeth: Waterloo and St Thomas' campuses; and a further campus, Denmark Hill, is located partially in Lambeth and partially in LB Southwark. King's College provides accommodation for students in halls of residence close to the teaching campuses. There are also places available to King's students in the Intercollegiate Halls of Residence.

5.51. Lambeth College is a further education college which offers higher education courses. The College has two main centres in Clapham and Vauxhall and a smaller centre close to Brixton.

5.52. London South Bank University is also located close to the borough boundary, within the London Borough of Southwark.

5.53. Existing purpose-built accommodation provides approximately 2,718 bedspaces for students at nine locations in Lambeth. The majority of these are concentrated in the north of the borough. Three of these student residences are University owned and operated – two of which are operated by King's College London, and one that is operated by the University of Westminster. A further five facilities provide privately owned and operated accommodation which is let directly to students. One residence, the Glassyard Building in Stockwell Green, is operated privately but has a nomination agreement in place which means that 258 of the 328 rooms are reserved for students at the University of the Arts. Westminster Bridge Student Accommodation is privately operated but has nomination agreements in place with King's College London and London School of Economics, located in the Aldwych area of Central London.

5.54. There were 24,246 full time students (aged 16 and over) in Lambeth at the time of the 2011 Census. Of these, the majority (46%) lived at home with their parents, 14% lived in student-only households, and 6% lived alone. Only 2% lived in communal establishments, such as halls of residence or purpose-built student accommodation. As would be expected, a higher proportion of students aged 16-19 live at home with their parents, with a correspondingly higher proportion of older students (20+) living in student only households (22%) or alone (9%). The Census does not provide detailed tenure breakdowns for students, however we assume that student-only households and those falling into the 'other household type' category will be predominantly in the private rented sector.

[12] Higher Education Statistics Agency data, 2013/14 (https://www.hesa.ac.uk/)

Age	All categories: Student accom.	Living with parents	Living in a communal establishment: Total	Living in a communal establishment: University	Living in a communal establishment: Other	Living in all student household	Student living alone	Living in other household type
All	24,246	11,234 (46%)	579 (2%)	446	133	3,504 (14%)	1,492 (6%)	7,437 (31%)
16 to 17	5,190	4,866 (94%)	32 (1%)	4	28	35 (1%)	15 (0%)	242 (5%)
18 to 19	3,952	3,073 (78%)	268 (7%)	213	55	209 (5%)	123 (3%)	279 (7%)
20 to 24	7,721	2,709 (35%)	187 (2%)	178	9	1,915 (25%)	498 (6%)	2,412 (31%)
25 and over	7,383	586 (8%)	92 (1%)	51	41	1,345 (18%)	856 (12%)	4,504 (61%)

Table 52 - Student accommodation by age, Census 2011 (All full-time students aged 16 and over)

5.55. The Census 2011 gives details of the numbers and distribution of full-time students aged 16+ in Lambeth, but does not identify full-time students as separate households. As well as a single person households in higher education, the classification "full-time student" can also cover people such as a 16/17 year old in further full-time education living in the parental home, or a retired person in a settled home who has decided to go into full-time education.

5.56. Data from the 2011 Census shows that full-time students are spread across the borough and are not concentrated around a particular area/educational establishment. Excellent public transport links, particularly from the north of the borough, mean higher education institutions in central London are easily accessible from Lambeth.

5.57. The London SHMA 2013 highlights that students differ from the wider household population in several important respects:

- They are not identified separately in official household projections.
- Their numbers are subject to different influencing factors, including demographics but also national policy around fees and visa restrictions, the exchange rate and the relative standing of London's educational institutions.
- Students also tend to have very low incomes relative to housing costs, but only temporarily.
- Students may live by themselves, as part of a conventional household, together with other students in a self-contained dwelling, or with other students in halls of residence.
- Students occupy both purpose-built and general-purpose accommodation.

5.58. For these reasons the London SHMA concludes that it is neither appropriate nor feasible to identify the housing requirements of students with the same methodology as employed for the population as a whole. However, analysis of the housing requirements of students has been undertaken at the London level.

5.59. The London Academic Forum, set up by the Mayor of London to advise on student housing requirements, projected an increased in the full time student population in London from 343,124 in 2011/12, to between 458,354 and 485,916 by 2026/27, with an annual average growth rate of between 7,682 and 9,519 (based on the central growth scenario).

5.60. The London SHMA 2013 translates the annual growth figures into requirement / demand for purpose-built student housing using a number of different assumptions, including the proportion of students presently living in purpose-built accommodation and the views expressed by charitable and private sector providers. Adopting the assumption that 33% of the demand for student accommodation could be met through purpose-built accommodation, it identifies an annual requirement of 2,500 to 3,100 bed spaces in London (rounded).

5.61. There has been a significant increase in purpose-built student accommodation provision in Lambeth over the past six years; the number of existing student bedspaces in the borough has increased by 218 per cent – from 855 bedspaces in 2011 to 2,718 in 2017. The development pipeline remains strong, with five schemes under construction at March 2017 and one further development with planning permission yet to commence construction. (Ref. Lambeth Student Accommodation Assessment 2017)

Student Accommodation Affordability

5.62. The Census recorded 28% of all full-time students as being economically active, in employment, in 2011 (see the table below). The relative proportion of students in employment is considerably higher for those not living with their parents or in a communal establishment.

5.63. Rents for purpose built student accommodation, not unexpectedly, vary depending on the type of unit provided and the location, ranging from £199 per person per week for en-suite accommodation at Stamford Street (operated by King's College London) to £725 per person per week for a luxury penthouse studio at the newly completed Westminster Bridge Student Accommodation[13]. In all cases the accommodation provided by the Universities themselves costs less than privately operated direct let units.

5.64. In comparison, the median rent for a room in the private rented sector across Lambeth is £141 per week (London median £132) and for a studio £219 (London

[13] Rental levels taken from the Lambeth Student Accommodation Assessment 2017.

median also £219). Lower quartile rents for a room or studio flat in Lambeth are £127 and £201 respectively (London: £114 and £185). (GLA London Rents Map, August 2017).

5.65. This suggests that rents for purpose-built student accommodation are significantly higher than for conventional housing in the private rented sector, though it is acknowledged that this does not necessary provide the quality of accommodation, services or levels of privacy of private halls of residence.

5.66. In a report published in March 2014 the London Academic Forum reported that universities and students consider affordability to be the key issue in student housing provision in London, particularly for purpose-built, direct let accommodation ('Strategic planning issues for student housing in London', March 2014). It recommended that the London Plan should introduce a requirement for such accommodation to include an element of provision that is affordable for students. This requirement is set out in Policy 3.8 and paragraph 3.53B of the London Plan 2015.

5.67. Guidance on how affordable student accommodation can be defined, delivered and retained is set out in the Mayor's Housing Supplementary Planning Guidance 2016. For the purposes of the London Plan the average student income is based on the maximum income that a new full-time student studying in London and living away from home could receive from the government's maintenance loan for living costs. In the academic year 2016/17 this is £10,702. The proportion of an average student's income that the Mayor considers is reasonable for students to spend on accommodation costs is 55%. On this basis, purpose-built student accommodation currently available in Lambeth is not considered to be affordable (i.e. it is let at more than £5,886 per annum). London Plan Policy 3.8 should now ensure an element of affordable student accommodation delivered as part of relevant development proposals.

	All categories: Full-time students and economic activity	Full-time students: Economically active: In employment	Full-time students: Economically active: In employment (%)	Full-time students: Economically active: Unemployed	Full-time students: Economically inactive
All categories: Student accommodation	24,246	6,682	28%	2,441	15,123
Living with parents	11,234	1,878	17%	1,324	8,032
Living in a communal establishment: Total	579	90	16%	80	409
Living in a communal establishment: University (for example halls of residence)	446	66	15%	37	343
Living in a communal establishment: Other	133	24	18%	43	66
Living in all student household	3,504	1,125	32%	278	2,101
Student living alone	1,492	548	37%	221	723
Living in a one family household with spouse, partner or children	2,252	953	42%	175	1,124
Living in other household type	5,185	2,088	40%	363	2,734

Table 53 - Economic activity of full-time students by student accommodation, Census 2011 (All full-time students aged 16 and over)

Armed forces and ex-services personnel

5.68. There is limited information available in terms of the particular housing requirements of this group.

5.69. Data from the 2011 Census suggests that there are 170 households in Lambeth containing a member of the armed forces, and a further 20 armed forces personnel living in a communal establishment. The gender and age profile of members of the armed forces shows a far higher proportion of males to females as would be expected (93%), with the majority in the 25-34 and 35-49 age categories (76%).

	Lambeth	London
Lives in a household	170	4,936
Lives in a communal establishment	20	1,317
Total	190	6,253

Table 54 - All usual residents employed in the Armed Forces, Census 2011

5.70. Specific information on the tenure breakdown of the 170 members of the Armed Forces in Lambeth who live outside communal accommodation is not available. The

London SHMA 2013 reports that the majority of armed forces households in London live in owner occupied or private rented housing, with around 7,500 spread between the two tenures, and the remaining 500 in social rented housing. Analysis of their dwelling size requirements indicates that none of the armed forces households in London are overcrowded.

5.71. At the London level, taking affordability into account, the tenure requirements of armed forces households are split in the same proportion as their current tenure, i.e. with the vast majority requiring market housing. The London SHMA concludes that as there are no projections of future change in the number of armed forces households, the most reasonable assumption is that both their total requirements and the tenure mix of those requirements will rise in line with overall growth in the number of households in London.

5.72. There are a total of 39 households on Lambeth's housing waiting list (April 2017 who had priority by virtue of being ex-service personnel. This category was introduced in November 2013. Since then the council has had approximately 3,000 new applications per year. This illustrates that only a very small proportion of people applying to the waiting list have been in the armed forces. The council will continue to give priority to service personnel and their families through the housing allocations process.

Gypsies and Travellers

5.73. There is one existing Traveller site in Lambeth, located at Lonesome Way in Streatham Vale. The site provides 16 residential pitches, and is owned and managed by Lambeth Council. The site was originally established in the late 1970's. Refurbishment works were carried out in 2014/15, which included the creation of an additional pitch.

5.74. National planning policy set out in the Planning Policy for Traveller Sites (PPTS), first issued in 2012, requires local authorities to prepare and maintain an up-to-date understanding of the accommodation needs of Gypsies, Travellers and Travelling Showpeople using a robust evidence base.

5.75. The council has separately published a summary document setting out the up to date evidence relating to Gypsy and Traveller accommodation need (Assessment of Gypsy and Traveller accommodation need in Lambeth: Bringing together the evidence (October 2017), London Borough of Lambeth). The findings are summarised below.

Category of gypsy and traveller need	2016-21	2021-26	2026-31	Total
Arising from Travelling Showpeople	0	0	0	0
Arising from existing unauthorised developments	0	0	0	0
Arising from existing unauthorised encampments	0	0	0	0
Arising from existing sites with temporary permission	0	0	0	0
Arising from net movement from bricks and mortar	0	0	0	0
Net migration	0	0	0	0
Concealed households	0	0	0	0
Net new household formation	1	1	1	3

Table 55 - Overall summary of Gypsy and Traveller need in Lambeth, Assessment of Gypsy and Traveller accommodation need in Lambeth: Bringing together the evidence, London Borough of Lambeth, 2017

People who wish to build their own homes (self-build and custom house building)

5.76. Based on analysis of the London Development Database (LDD), the London SHMA 2013 estimated that self-build could represent between 1.9% and 3.5% of annual housing output in London. The London SHMA 2013 surmised that self-build in London typically takes place in small infill sites, end of terrace spaces, backland sites, gardens, garages and small industrial sites. It refers to London's uniquely pressurised housing and land markets, which tend to favour larger and more experienced builders, as possible explanations behind the high levels of interest yet relatively low levels of activity in London reflected through national surveys.

5.77. LDD data shows that in 2015/16 there were 18 completed developments in Lambeth involving the erection of a new single residential unit (new build houses or bungalows). This represents 0.7% of the total net additional dwellings completed that year (conventional supply). This figure is higher than recent years, with six developments completed in 2014/15 (0.4% of the total net additional dwellings completed that year), three developments in 2013/14 (0.35%), five in 2012/13 (0.8%), and 11 in 2011/12 (1.44%). It should be noted that some or all of these developments may be speculative rather than self-build.

5.78. The Self-build and Custom Housebuilding Act 2015 ("the 2015 Act") introduced new duties on local authorities to keep, and have regard to, registers of people seeking land for self-build and custom housebuilding. As required by the Act, from 1 April 2016 Lambeth Council has held a local register of people looking to acquire plots of land to build or commission their own home. This register is intended to help the council to understand the level of demand for self-build and custom housebuilding in the borough.

5.79. This section of the SHMA draws on the data from Lambeth's Local Self-build Register collected between 1 April and 30 October 2016, the first 'base period'[14]. Key 'headline' data is set out below:

- Between 1 April and 30 October 2016, 338 individuals and one association applied to Lambeth's local self-build register and were accepted as eligible.

- Of the 338 individuals on the local register, 58 (17%) currently live in Lambeth. When asked what, if any, connection applicants had to the borough, the most common response given was 'friends' (211 applicants), followed by 'work' (85), 'family' (64) and 'home' (62).

- Nearly all of the individuals on Lambeth's local register (99%) are interested in finding a plot of land in more than one local authority area. Only 51 applicants identified Lambeth as their first preference. A significant number of applicants indicated their interest in building in neighbouring boroughs (for example, 267 applicants (79%) said they would also like to build in Southwark, 229 (68%) in Wandsworth, 215 (64%) in Islington, 212 (63%) in Greenwich, and 201 (60%) in Camden). Furthermore, 138 applicants (41%) stated that they would like to register their interest in a plot in the South East. Many others also expressed an interest in self-build in other regions.

- The majority of applicants (64%) are interested in individual self-build, with 10% interested in group self-build and 6% interested in custom build. 20% of applicants were undecided. Unsurprisingly therefore, data on the register indicates that the highest level of demand is for single home sites or small developments: 202 applicants would consider building their home on a single home site, 173 within a small development (2-15 homes), 113 within a medium development (16-40 homes) and 73 within a large development (40+ homes). 90% of applicants would consider building their home within a larger mainstream housing development.

- Of 224 applicants that completed this field, 159 (71%) are seeking a home with 2 or 3 bedrooms:

No. of bedrooms needed	Percentage	Count
1	4.5%	10
2	34.4%	77
3	36.6%	82
4	18.3%	41
5	3.1%	7

[14] The government requires local authorities to establish demand for self-build and custom house building by reference to the number of entries added to their register during a base period. The first base period begins on the day on which the register is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period (i.e. 31 October – 30 October).

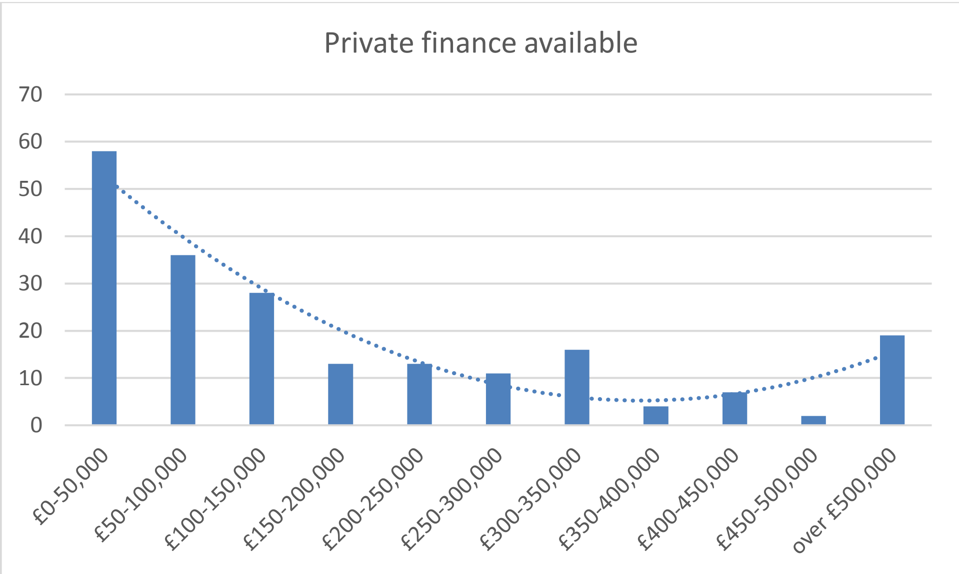
6	0.9%	2
Don't know	2.2%	5
	100%	**224**

- A total of 124 applicants (55%) expect that one or more child (under the age of 18) would be living in the home:

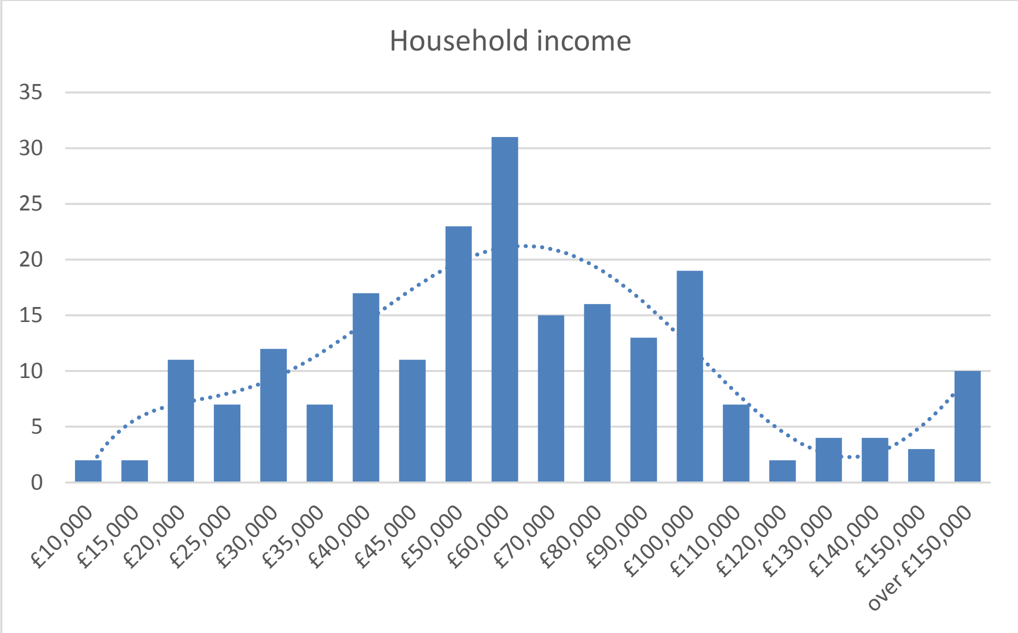
No. of children	Percentage	Count
none	35.6%	80
1	15.6%	35
2	33.3%	75
3	4.0%	9
4	2.2%	5
5+	0.0%	0
I don't know	9.3%	21
	100%	**225**

- Just over half (52%) of the 219 applicants who responded to the question stated that they are first time buyers. 53% would consider a part-ownership scheme.

- Applicants to the register are asked how much private finance they have available to bring to their self-build or custom-build projects. A total of 215 applicants answered this question; the spread of the data is illustrated in the graph below.



- Applicants to the register are also asked to indicate their annual household income (the register does not specify whether this is net or gross). As shown below, the spread of household income is varied, with the majority of applicants earning £60,000 or less.



- The data suggests that applicants to the self-build register have higher annual incomes than Lambeth's households generally (median: £45,000). In June 2017 the median household income in Lambeth was £33,280 and the mean household income was £39,986 (CACI data June 2017). However it should be noted that applicants are not asked to demonstrate their level of income when applying to the register.

- Applicants are asked to indicate how soon they would be start on their self-build project after hearing about a suitable opportunity. The majority (89%) stated that they would be able to start very quickly, within 6 months.

5.84 The council keeps a separate register of associations who would like to find a plot suitable for a self-build or custom housebuilding project. Only one association applied to Lambeth's local self-build register for associations during the first base period. This is an association of two people, interested in finding two serviced plots to build two homes, preferably within Hackney although they have applied to other local authority registers (including Lambeth).

5.85 The Housing and Planning Act 2016 places an additional duty on local authorities to identify and grant sufficient suitable development permissions on serviced plots of land to meet the demand for self-build and custom housebuilding, as evidenced by the number of people on the local register.

5.86 Lambeth's local self-build register indicates that there is a high demand for plots of land for self-build. However, it must be noted that one of the limitations of using the register as a means of assessing the level of demand for self-build within an area is that there is a significant risk that this will overstate actual demand. This is because there is no limit to the number of registers an applicant can apply to – in theory they could apply to the registers held by every London borough as well as local authorities in other regions (as demonstrated by the data analysis above). Planning Practice Guidance advises that plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households. Further, there is no requirement for applicants to verify their ability to actually purchase and develop a plot if one is provided. In other words, there is no way to separate aspiration from effective market demand.

Appendices

Appendix 1: Affordability thresholds for the lower quartile private rented sector

This data is compiled by using the following:-

- Lower Quartile rents in the private rented sector for January 2017 (Source:- London Rent Map)
- CACI Paycheck data for Lambeth, June 2017, median average household income

Property size by number of bedrooms	30% affordability threshold (gross household income)		35% affordability threshold (gross household income)		40% affordability threshold (gross household income)	
	Minimum household income required	% of households for whom rent is unaffordable	Minimum household income required	% of households for whom rent is unaffordable	Minimum household income required	% of households for whom rent is unaffordable
Studio	£31,720	47.5%	£27,189	36.9%	£23,790	30.3%
1 bedroom	£47,667	72.1%	£40,857	63.2%	£35,750	55.1%
2 bedroom	£57,893	81.5%	£49,623	74.4%	£43,420	65.9%
3 bedroom	£73,840	90.1%	£63,291	85.1%	£55,380	79.3%
4 bedroom	£108,333	97.0%	£92,857	95.0%	£81,250	92.2%

1. Comparison between costs in the lower quartile private rented sector and the lower quartile owner-occupied sector

Size of accommodation	Minimum gross household income required – 30% affordability threshold	Minimum gross household income required – 35% affordability threshold	Minimum gross household income required – 40% affordability threshold	Minimum gross household income required to purchase a home priced in the lower quartile
Studio	£31,720 *Unaffordable for 47.5% of households*	£27,189 *Unaffordable for 36.9% of households*	£23,790 *Unaffordable for 30.3% of households*	Not available
1 bedroom	£47,667 *Unaffordable for 72.1% of households*	£40,857*Unaffordable for 63.2% of households*	£35,750 *Unaffordable for 55.1% of households*	£63,893 *Unaffordable for 85.8% of households*
2 bedroom	£57,893 *Unaffordable for 81.5% %of households*	*£49,623 Unaffordable for 74.4% of households*	£43,420 *Unaffordable for 65.9% of households*	£93,219 *Unaffordable for 95.0% of households*
3 bedroom	£73,830 *Unaffordable for 90.1% of households*	£63,291 *Unaffordable for 85.1% of households*	£55,380 *Unaffordable for 79.3% of households*	£173,677 *Unaffordable for 99.5% of households*

Appendix 2: Costs of purchasing a home through Shared Ownership

A total of 204 homes were purchased in Lambeth through low cost home ownership between April 2015 and March 2016. The median incomes of purchasing each property size are as follows:-

	Number of purchases	Median income of purchasing households	% of Lambeth's households who have this level of household income using April 2017 Paycheck data
1 bedroom	89	£45,000	31.3% *Unaffordable for 68.7% of households*
2 bedroom	103	£51,000	24.7% *Unaffordable for 75.3% of households*
3 bedroom	11	£70,617	10.9% *Unaffordable for 89.1% of households*
Total	204	£49,870	

Appendix 3: Lambeth household and population projections 2011- 2036 (GLA 2016 round population and household projections trend-based, long-term variant)

Year	Estimated number of households	Estimated population
2011	130,698	304,808
2012	133,649	310,527
2013	135,932	314,569
2014	138,297	318,543
2015	141,443	324,758
2016	143,655	328,237
2017	145,193	330,599
2018	146,783	332,961
2019	148,377	335,298
2020	150,000	337,588
2021	151,644	339,824
2022	153,176	341,986
2023	154,696	344,057
2024	156,179	346,035
2025	157,654	347,922
2026	159,157	349,752
2027	160,586	351,568
2028	161,990	353,395
2029	163,369	355,264
2030	164,755	357,194
2031	166,134	359,182
2032	167,497	361,219
2033	168,824	363,298
2034	168,126	365,385
2035	171,402	367,459
2036	172,649	369,482

Appendix 4: Older Persons' Housing Schemes in Lambeth, April 2017

Residential care homes

Scheme name and address	Ward	Size of scheme
Windmill Lodge, Lyham Road	Brixton Hill	93 residents
Collingwood Court Nursing Home, Nelsons Road	Clapham Town	80 residents
Havelock Court Nursing Home, Wynne Road, Stockwell	Ferndale	60 residents
Dulwich Care Centre, Knolly's Road	Knight's Hill	93 residents
Fairlie House Nursing Home, Uffington Road	Knight's Hill	53 residents
The Laurels Care Centre, Union Road, Clapham	Larkhall	62 residents
St Peter's Residence, 2a Meadow Vauxhall	Oval	56 residents
Drewstead Lodge, Drewstead Road	St Leonard's	9 residents
Jane's House, Barrow Road	St Leonard's	7 residents
Prema House, Gleneagle Road	St Leonard's	24 residents
St Mary's Care Home, Tooting Bec Gardens	St Leonard's	39 residents
Cricklade House, Cricklade Avenue	Streatham Hill	4 residents
Limetree Care Centre, Limetree Close	Streatham Hill	92 single rooms
Aashab House Residential Care Home, Bates Crescent	Streatham South	34 x single or shared rooms
Joybrook, Braxted Park	Streatham South	15 residents
St Johns Residential Care Home	Streatham South	23 residents
Uplands Care Home, Leigham Court Road	Streatham Wells	65 residents
Total		**809 places**

Self-contained sheltered or retirement housing

Scheme name and address	Ward	Size of scheme
Chaplin Close, Grey Street, Waterloo	Bishop's	20 x 1 bedroom flats
Strathleven, Gleneig	Brixton Hill	12 x 1 and 3 bedroom flats
Carfax Place, Carfax Estate	Clapham Common	35 x 1 bedroom flats
Charleston House, Clapham Common Southside	Clapham Common	28 x 1 and 2 bedroom flat
Henry Twining Court, Crescent Lane	Clapham Common	33 x 1 bedroom flats
Mayfield Close, West Road	Clapham Common	25 x1 bedroom bungalows
Heather Close, Heath Road	Clapham Town	24 x 1 bedroom flats
Hibbert Almshouses, Wandsworth Road	Clapham Town	8 x 1 bedroom cottages
Ingleton House, Rectory Grove	Clapham Town	25 x 1 bedroom flats
Manor Court, St Matthew Road	Clapham Town	42 x 1 bedroom flats
Chapleton House, Jeff Road	Coldharbour	20 x 1 bedroom flats
Crowhurst Close, Myatts Fields South	Coldharbour	28 x flats
Fitch Court, Effra Road	Coldharbour	34 x 1 bedroom flats
Gresham Road, Brixton	Coldharbour	11 x studio flats

Scheme name and address	Ward	Size of scheme
Hanover Mansions, Barnwell Road	Coldharbour	14 x 1 bedroom flats
Raglan Court, Gresham Road	Coldharbour	28 x 1 bedroom flats
Albermarle House, Stockwell Park Estate, Stockwell	Ferndale	48 x flats
City of London Almshouses, Ferndale Road	Ferndale	36 x 1 bedroom flats
Clifton house, Clarence Avenue	Ferndale	50 x 1 and 2 bedroom flats
Helmi House, Robsart Street	Ferndale	46 x 1 and 2 bedroom flats
Robert Runcie Court, Acre Lane, Brixton	Ferndale	29 x studio or 1 bedroom flats
Sandmere, Clapham	Ferndale	3 x 1 bedroom flats
The Friendly Almshouses, Stockwell Park Road, Stockwell	Ferndale	30 x studio flats
Wynter House, Aytoun Road, Stockwell Park	Ferndale	25 x studio or 1 bedroom flats
Balmoral Court, Gipsy Road	Gipsy Hill	30 x 1 bedroom flats
Northwood House, Hamilton Road	Gipsy Hill	40 x 1 and 2 bedroom flats
Queenswood Court, Hamilton Road	Gipsy Hill	29 x 1 bedroom flats
Westcott House, Dunelm Grove	Gipsy Hill	16 x 1 bedroom flats
Longship House, Carew Street	Herne Hill	12 x 1 bedroom flats
Matlock Close, West Road	Herne Hill	23 x bungalows
The Howis Trust, Shakespeare Road	Herne Hill	12 x 1 bedroom flats
Tudor Stacks, Dorchester Drive	Herne Hill	39 x 1 bedroom flats
Cheviot Gardens, West Norwood	Knight's Hill	84 x 1 and 2 bedroom flats
Elderberry Grove, Elderberry Road	Knight's Hill	26 x 1 bedroom flats
Joe Hunte Court, Knights Hill	Knight's Hill	28 x 1 bedroom flats
Lansdown Hill, West Norwood	Knight's Hill	12 x 1 bedroom flats
Lee Samuel House, Nealden Street, Stockwell	Larkhall	28 x 1 bedroom flats
Lingham Court, Lingham Street, Stockwell	Larkhall	70 x flats for sale/rent
McCall Close, Clapham	Larkhall	32 x 1 bedroom flats
Benville House, Dorset road, South Lambeth	Oval	42 x 1 bedroom flats
Castle House, Wilcox Close	Oval	35 x 1 bedroom flats
Coney Way, Ashmole Estate, Kennington	Oval	32 x 1 or 2 bedroom flats
Cottingham Road, Ashmole Estate, Kennington	Oval	70 x 1 or 2 bedroom flats
Whicher and Kifford Almshouses, Stanley Close, Fentiman Road, Vauxhall	Oval	6 x 1 bedroom flats
Wimborne House, Lyham Road	Oval	32 x 1 bedroom flats
Bankhouse Development	Prince's	48 x 1 and 2 bedroom flats
Bland and Burchall Houses, Vauxhall Gardens Estate	Prince's	38 x 1 or 2 bedroom flats
Denby Court, Lambeth Walk	Prince's	41 x 1 bedroom flats
Newquay House, Sancroft Street, Kennington	Prince's	28 x 1 or 2 bedroom flats
Rupert House, Reedworth Street, Kennington	Prince's	46 x 1 or 2 bedroom flats
Tresco House, Sancroft Street, Kennington	Prince's	27 x 1 or 2 bedroom flats
Woodstock Court, Newburn Street, Kennington	Prince's	30 x 1 bedroom flats
Abbeyfield House, Conyers Road	St Leonard's	6 flats
Mary Holben House, Thrale Road	St Leonard's	48 x 1 bedroom flats

Scheme name and address	Ward	Size of scheme
Nuneham, 23 Garrads Road	St Leonard's	32 x 1 bedroom flats
Shaftesbury Court, Mount Ephraim Road	St Leonard's	22 x 1 or 3 bedroom flats
St Giles House	St Leonard's	19 x studio and 1 bedroom flats
The Glebe, Prentis Road	St Leonard's	34 x 1 bedroom flats
Apple Blossom Court, Pascal Street, South Lambeth	Stockwell	36 x 1 bedroom flats
Ashley House, Telford Avenue	Streatham Hill	17 x 1 and 2 bedroom flats
Lambourne Court, Roupell Road	Streatham Hill	19 x 1 bedroom flats
Kempshott Road	Streatham South	10 x 1 bedroom flats
Summerene Close, Streatham Vale	Streatham South	10 x 1 bedroom flats
Cherry Tree Drive, Leigham Avenue	Streatham Wells	40 x flats
Coventry Hall, Polworth Road	Streatham Wells	70 x 1 or 2 bedroom flats
Leigham Court Road, Streatham	Streatham Wells	44 x 1 bedroom flats
South Lodge, Leigham Court Road	Streatham Wells	25 x 1 bedroom flats
Spa Court, Well Close, Valley Road	Streatham Wells	30 x 1 bedroom flats
Vernon Nelson, Oakdale Road	Streatham Wells	7 x studio flats
Wavel Court, Leigham Avenue	Streatham Wells	30 x 1 and 2 bedroom flats
Hayes Dashwood House, Emmanuel Road	Thornton	150 x 1 and 2 bedroom flats
Langholm Close, Clapham Park	Thornton	42 x 1 bedroom flats
Cedar Close, Thurlow Park Road	Thurlow Park	74 x 1 and 2 bedroom flats
Chatsworth House, Johnston Road	Thurlow Park	11 x studio and 1 bedroom flats
Corfe Lodge, Carson Road	Thurlow Park	6 x 1 bedroom bungalows
Lotus Close, Rosendale Road	Thurlow Park	37 x 1 and 2 bedroom flats
Norwood Road, Herne Hill	Thurlow Park	22 x 1 and 2 bedroom flats
Pat Williams House, Chestnut Road, West Norwood	Thurlow Park	9 x 1 bedroom flats
Bernard Sunley House, 21 South Island Place, Stockwell	Vassall	39 x 1 bedroom flats
Cloisters, Melbourne Mews	Vassall	45 x1 bedroom flats
Hillyard House, Brixton	Vassall	41 x 1 and 2 bedroom flats
Holland Grove, Kennington	Vassall	28 x 1 bedroom flats
Total		**2613 homes**

Appendix 5: Types of specialist accommodation for Older People (London Plan Housing Supplementary Planning Guidance 2015)

Sheltered accommodation (also called retirement housing):- self-contained residential accommodation specifically designed and managed for older people (minimum age 55) in need of no or a low level of support. Each household has self-contained accommodation and the schemes normally include additional communal facilities such as a residents lounge. A warden, scheme manager, community alarm/telecare or house manager interacts with residents on a regular basis and is the first point of contact in an emergency.

Extra care accommodation (also called close care, assisted living, very sheltered or continuing care housing):- Self -contained residential accommodation and associated facilities designed and managed to meet the needs and aspirations of people who by reason of age or vulnerability have an existing or foreseeable physical, sensory or mental health impairment. Each household has self-contained accommodation and 24 hour access to emergency support. In addition extra care accommodation includes a range of other facilitates such as a residents lounge, a guest room, laundry room, day centre activities, a restaurant or some kind of meal provision, fitness facilities and classes and a base for health care workers. The exact mix of facilities will vary on a site by site basis. Some domiciliary care is provided as part of the accommodation package, according to the level of need of each resident. Extra care housing aims to create a balanced community, bringing together a balanced proportion of people with different levels of care needs

Residential / nursing care (including end of life/ hospice care and dementia care):- Nursing or residential care home providing non-self-contained residential accommodation for people who by reason of age or illness have physical, sensory or mental impairment, including high levels of dementia. Accommodation is not self-contained; meals and personal services are routinely provided to all residents. Communal facilities are likely to include a dining room and residents lounge. There will be a scheme manager and in house care team who provide a consistent presence. Personal or nursing care is a critical part of the accommodation package. Nursing homes include 24 hour medical care from a qualified nurse.

Appendix 6: Types of affordable housing

Affordable housing is housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership), and which meet the criteria for one of the models set out below.

Tenures of affordable housing are split between **social/affordable rent** on the one hand and **intermediate affordable housing** on the other.

Social/affordable rented housing

Social and affordable rented housing is intended for households on the lowest incomes. Eligibility is determined with regard to local income and local house prices. This type of housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers of social housing (sometimes known as Housing Associations). Guideline rents are determined through the Government's rent policy and are typically between 50 and 60 per cent of market rents.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. 'Affordable Rent' is subject to rent controls that require a rent of no more than 80 per cent of local market rents (including service charges, where applicable).

In Lambeth, this type of affordable housing will typically be available to households whose incomes are at a level which will entitle them to receive Housing Benefit to meet their housing costs. These homes will be let by Lambeth Council or housing associations and allocated according to Lambeth's Allocation Policy.

Intermediate affordable housing

Intermediate affordable housing is provided for rent or sale at a cost above social and affordable rents, but below market levels. There are many different types of intermediate affordable housing, all intended to meet the needs of middle income households that cannot afford market prices. Eligibility for intermediate housing is determined with regard to local incomes and local house prices. It should include provisions to remain at an affordable price for future eligible households or for any receipts to be recycled for alternative affordable housing provision, or refunded to the relevant authority.

Rented intermediate housing

Discount Market Rent or Affordable Private Rent

Housing made available for rent at a level which is at least 20 per cent below local market rent. Eligibility is determined with regard to local incomes and local house prices. Provision should be made to ensure that the housing remains available for rent at a discount for future eligible households or for alternative affordable housing provision to be made if a discount is withdrawn.

The level of discount and the household income threshold for eligibility can vary. The Mayor of London's preference is for discount market rent to be set at London Living Rent levels.

London Living Rent

A new type of intermediate affordable housing in London that is intended to help, through low rents on time-limited tenancies, households with around average earnings save for a deposit to buy a home of their own. Eligibility for London Living Rent is restricted to households renting privately or socially with a maximum household income of £60,000, without sufficient current savings to purchase a home in the local area. London Living Rent is generally aimed at single people, couples and families, but it could be suitable for house shares of multiple adults, provided the total household income does not exceed £60,000.

The GLA has calculated benchmark ward-based London Living Rent levels for London Living Rent homes based on one third of median gross household income for the local borough. In Lambeth the cap means household incomes within the approximate range £25,000 to £60,000 will be eligible for London Living Rent.

Community Land Trusts

Community Land Trusts are a form of community-led housing, set up and run by residents to develop and manage homes as well as other assets. Community Land Trusts act as long-term stewards of housing ensuring that it remains affordable, based on what people earn in the local area, for every future occupier.

Intermediate housing for sale

Discount Market Sale

Homes for sale at a discount of at least 20 per cent below local market value, with provisions to remain at a discount for future eligible households. Eligibility is determined with regard to local incomes and local house prices.

Starter Homes

Starter Homes are a specific form of Discount Market Sale property. Starter Homes must be offered for sale up to a maximum property value of £450,000 in London. It is proposed by Government that households must have an income below £90,000 in London to be eligible. Such properties are expected to be offered to people who have not previously been a home buyer and want to own and occupy a home, and who are below the age of 40 at the time of purchase. Starter Homes cannot be resold or let at their open market value for five years following the initial sale.

Shared Ownership

Applicants buy a proportion of their home and pay a rent on the remaining share. The shares purchased are usually between 25 per cent and 75 per cent of the full price. Available to Londoners on incomes of up to £90,000, though often purchased by householders earning much less than this, particularly for smaller properties. Applicants are also required to put forward a deposit of at least 5% of the share they buy.

Glossary

Key definitions used in this report include the following:

Affordable housing: Affordable housing definitions are set out in Appendix 6.

Affordable housing need: This describes the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Concealed household: Office for National Statistics definition of a concealed household is one living in a multi-family household in addition to the primary family. This includes young adults living with a partner and/or child/children in the same household as their parents; older couples living with an adult child and their family; and unrelated families sharing a household. This does not include a single person; one elderly person living with their adult child and family; or an adult child returning to the parental home.

Housing need: Housing need refers to refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.

Newly-arising need: Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment we have used trend data from CORE along with demographic projections about the number of new households forming (along with affordability) to estimate future needs. Figures for this are gross, and differ from those set out reflecting total household growth.

Other households: The Office for National Statistics defines Other households as: multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults.

Sharing households: A sharing household is defined one person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area. A household’s accommodation is defined as being part of a shared dwelling if (a) the type of accommodation is ‘part of a converted or shared house (including bedsits), (b) not all the rooms, including the kitchen, bathroom and toilet, are behind a door only that household can use, and (c) there is at least one other such household accommodation at the same address with which it can be combined to form a shared dwelling.

Specialist housing: This is housing that has been specifically designed to meet the needs of people with particular needs. It can refer to housing that has been purpose designed or designated for a particular client group to assist tenants to live independently.